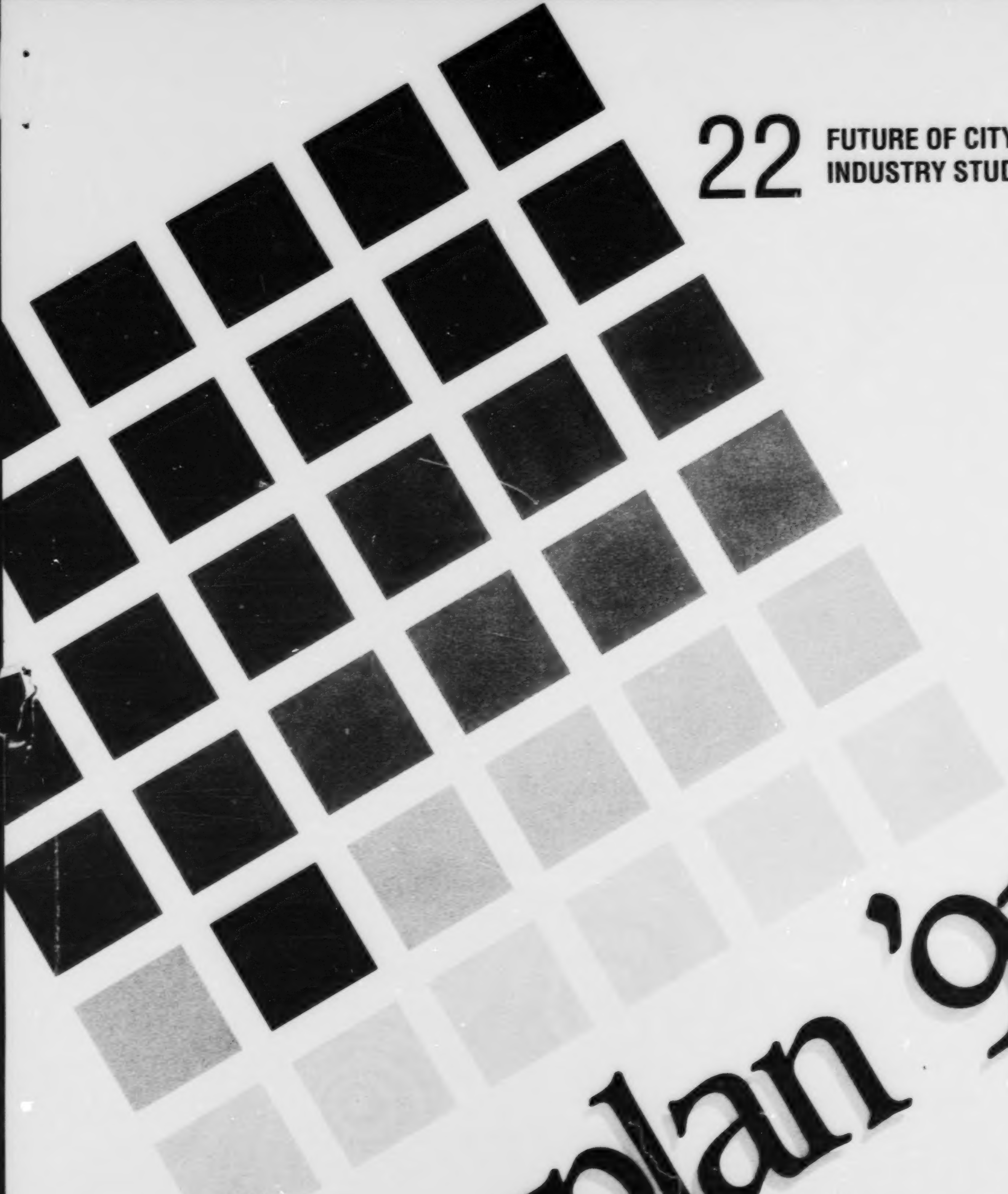

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FUTURE OF CITY INDUSTRY STUDY

Cityplan '91

City of Toronto
Planning &
Development
Department

Robert E. Millward
Commissioner

91-04587/

22

FUTURE OF CITY INDUSTRY STUDY

February 1991

$ 7 (shipping and handling extra)

Prepared for the City of Toronto Planning
and Development Department by
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Toronto, Ontario M5T 3A3

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City of Toronto
**Planning &
Development**
Department

Robert E. Millward
Commissioner

FUTURE OF CITY INDUSTRY STUDY

February, 1991

February 10, 1991

Mr. Robert E. Millward
Commissioner
Planning & Development Department
20th Floor, East Tower
City Hall
Toronto, Ontario
M5H 2N2

Dear Mr. Millward:

We are pleased to present our Future of City Industry study. The study is divided into two parts: the main report which summarizes the results, and an appendix which reviews our detailed analysis.

The mandate of the study was to examine the future of industrial employment in the industrial areas of the City under two theoretical land use policy scenarios: a status quo scenario and a scenario involving the redesignation of vacant and/or under-utilized industrial lands in certain industrial areas. The study has revealed:

- The City's industrial base is unique, with many City industries requiring a non-traditional type of building space.
- The future outlook for industries is good - while traditional manufacturing employment will continue to decline, it will be at a lower rate than has occurred in the recent past. Other newer categories of industry will grow to more than offset this employment loss. As a result, industrial employment in industrial areas will rise to almost 56,000 by the year 2011, from current levels of almost 47,000.
- This growth in employment will create a demand for between 8 to 10 million sq. ft. of building space. This demand can be met by a very conservative accounting of potential future supply of space in the City's industrial areas. However, a supply larger than demand is required to provide the choice of space that will be required by industry and to adequately plan for the long term.

- The theoretical land use policy scenario involving a redesignation of certain industrial areas for housing would place at risk all industries in such redesignated areas. These industries currently employ approximately 15,000 people, and the manufacturing firms would be placed at the greatest risk. Under this scenario, industrial employment growth would be reduced by an estimated 10,000 employees, resulting in total industrial employment staying at current levels until 2011.

- How to deal with the pressure to redesignate industrial land for housing is the most important decision the City will need to make in terms of the future of industry. Any redesignations will not only impact specific industrial firms, but will also influence the general outlook for industrial development. If the City decides to redesignate specific industrial areas, the extent of redesignations must be clearly communicated and patchwork (site-by-site) redesignation must be avoided.

- Regardless of the extent of any redesignations, the City should: actively encourage new investment in industrial areas by continually reviewing zoning policies to ensure compatibility with new types of industrial firms; continue the program of industrial area improvements; 'lead the way' in demonstrating the viability of new industrial building development (particularly in the Port area); and continue its programs of liaison with City industries and fostering development of specific industrial sectors.

We have enjoyed working with you and your staff on this study.

Yours very truly,

HEMSON CONSULTING LTD.

Scott Burns, MCIP, Ec.D.
Partner

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EXECUTIVE SUMMARY

1. The Mandate Of The Study Is To Examine The Future Of Industrial Employment In The Industrial Areas Of The City And To Assess The Implications Of Any Land Redesignation For Housing

- Unlike some other large North American cities, the City of Toronto has a history of planning for industry. This is reflected in the City's current Official Plan policies that call for a wide range of proactive support to industry. As part of its current Official Plan review, the City is investigating the potential impact of various planning policy scenarios.

- In the context of the City's continuing policy objective to support industry, the Future of City Industry Study was commissioned to test the impact of two theoretical scenarios on future industrial employment levels.

- The study's specific objectives are "to determine future manufacturing and non-manufacturing industrial employment in City of Toronto industrial areas to the year 2011 and to estimate the physical needs and supply (land and building) that will be required to accommodate future industry under each of the following scenarios:

    - Theoretical Scenario A

        Land currently reserved for industrial uses will continue to be designated as such.

    - Theoretical Scenario B

        Vacant and/or under-utilized industrial land and lands occupied by industries that have announced plant closures (outside of the Port, Stockyards, Niagara-Parkdale, South of Eastern, King/Spadina, King Parliament and Perth-Sterling) will be released for residential purposes."

- These are theoretical scenarios only, which bear no relation to any actual City actions concerning redesignation of land. These areas were chosen simply to assess the impacts of land redesignation if such a course of action was pursued.

2. The City Has A Unique Industrial Base Which Requires Different Types Of Built Space

- The City's manufacturing industrial base has declined since the 1950s, in a pattern repeated in other North American cities. However, concurrent with the decline of traditional manufacturing industries has been a corresponding rise in employment in non-manufacturing industries.

- As a result of these changes, the City's industrial base cannot necessarily be viewed in traditional terms as these non-manufacturing industries demand a new type of space (i.e., studio space) in renovated as well as new industrial buildings.

3. City Industries Fall Into Three Key Groups

- Traditional Manufacturing Industries - these firms typically employ a large number of people and are located in the City for historic reasons. With no local but only national and provincial linkages, a City location provides no particular market advantage and may be a disadvantage for some firms. They are not generally compatible with residential uses. Example: the food and beverage sector.

- City Oriented Firms - includes small and medium size firms which have a reason to locate in the City. They are strongly linked to other firms in their sector and will agglomerate in a particular location. They are compatible with a range of uses. Examples: the fashion, and the film/video/audio sector.

- Industries Serving The Service Sector - are very small firms which provide services to businesses and consumers. They have strong linkages to the local market and are highly cyclical, dependent on the general health of the overall economy. They are compatible with a range of uses. Examples: the photography and graphic arts sectors.

4. Employment Outlooks Suggest Future Industrial Employment Growth At Moderate Levels

- Employment outlooks were prepared based on a broad range of inputs including macro economic patterns, international comparisons, employment data, surveys, and interviews with key industry representatives. Past employment trends as well as emerging trends were identified, and outlooks were prepared on a City-wide basis for the City's industrial areas.

- The findings were:

  - Manufacturing Employment Decline Will Taper Off - despite a long term employment decline, manufacturing firms still remain major employers (comprising over 37% of all industrial employment in the City industrial areas). Survey results and discussions with industry representatives show a generally healthy outlook for the next twenty years. Generally, during the 1980s, job loss has been due to the movement of firms out of the City rather than a proportionate decline in each industry. There is an overall reluctance to move from current City locations due to sunk capital, cost, and difficulty. Moves will occur mostly for macro economic reasons (corporate ownership changes, plant rationalizations) rather than more local reasons (preference or price advantage of a suburban location). However, no new major manufacturers are expected to locate in the City due to the relative attractiveness of locations outside of the City.

  - City Oriented Industries To See Modest Growth - this industry sector includes many sub sectors which have characteristics in common with the traditional manufacturing sector (e.g., the manufacturing component of the fashion industry) and other sub sectors for which this is not the case. The outlook is for modest growth in the future reflecting the modest growth during most of the past decade.

  - Industries Serving The Service Sector To See Strongest Growth - these very small, highly cyclical industries have experienced the highest overall growth rate in the past. They are very sensitive to the strength of the overall economy and the population base that they serve. The growth rate will be strong and will continue to keep pace with the forecasted growth in the economy for the Toronto area.

- Total industrial employment in the industrial areas in the City will rise to almost 56,000 by the year 2011. This new employment will generate demand for between 8 - 10 million sq. ft. of space.

5. The Potential Supply Of New Industrial Space Totals About 17 Million Sq. Ft.

- A site-by-site analysis of the 19 industrial areas was undertaken to identify specific potential development sites. This included calculation of space available in known projects or areas, as well as an inventory of potential developable sites. A very conservative accounting of potential supply was made. The following sites for potential future development were not included: industrial areas currently under study by the Planning and Development Department, the 1,000 acre Port area (this area is important but is treated separately), and space vacated by traditional manufacturing firms.

  The inclusion of any of these sites would dramatically increase potential supply.

6. While Land Supply Is More Than Adequate, Supply And Demand Cannot Be Simply Compared

- While the overall demand of 8 to 10 million sq. ft. can easily be met by the potential supply of about 17 million sq. ft., excess supply is necessary to allow a full range of space choices for industry.

- Supply and demand numbers cannot be simply compared when assessing the actual space needs of industry as:

  - A full range of space needs to be available to provide a well functioning marketplace. A range of choices, in terms of type of space, price, and location, needs to be available.

- The City must plan for future space needs beyond the year 2011 in order to accommodate the very long term future needs of industry.

7. The Redesignation Of Land For Housing Could Have Significant Effects

- A piecemeal, or patchwork redesignation of vacant or under-utilized sites would affect all of the industries in the areas subject to some redesignation, even though their own property would remain designated for industrial use.

- The theoretical scenario of redesignation would affect just over 15,000 employees. Particularly at risk would be the employees of manufacturing firms that are disproportionately represented in these areas. Over the twenty year forecast period, the theoretical redesignation scenario (Scenario B) would reduce industrial employment growth by approximately 10,000 employees.

- Under this scenario, total City-wide industrial employment in industrial areas in the year 2011 would be just over 46,000 employees, approximating the 1989 total of just under 47,000 employees.

8. The City Must Decide Whether, And How, To Redesignate Industrial Land

- Redesignation of land would have the largest impact on the City's traditional manufacturing sector. However, while redesignation will accelerate the decline of these manufacturing firms, this sector is expected to decline (though at a slower rate) in any case. Other industries will also be affected, as any redesignation will reduce the location choices for industries.

- A policy of patchwork redesignations (of only vacant and under-utilized sites being redesignated, but over a widespread area) in the belief that there would be limited impact on existing industrial firms will not work. Industrial firms, particularly manufacturers, are not compatible with housing and such a policy would only encourage nearby industrial landowners to anticipate future redesignations.

- A preferable approach would be to select specific, clearly defined areas for redesignation (based on the number and types of industrial firms in the area that will be affected), while other areas would be identified as definitely continuing as industrial throughout the next twenty years.

- The key objective of any City action should be to remove any uncertainty in the marketplace that additional industrial land could be redesignated in the next twenty year period.

9. City Actions Can Influence Future Industrial Employment Levels

- The viability of City industrial areas can be maintained in two ways:

  (i) through recognizing the new types of firms which are fueling the demand for new built space, and maintaining flexibility so that this demand for new space can be met under existing zoning; and

  (ii) by the City continuing its program of area improvements in infrastructure.

- The City can also lead the way in demonstrating the feasibility of new industrial space construction to meet new industrial space demand, through programs of groups such as TEDCO. A proactive program to develop the Port area into a viable location for newer City industries should be followed.

- Other successful City programs and initiatives, including the Industrial Co-ordinating Committee, the Fashion Industry Liaison Committee, the Film Liaison Office, the Small Business Self-Help Centre, should be continued.

I INTRODUCTION

Industries in the industrial areas of the City of Toronto play vital economic and social roles providing employment for almost 47,000 people, tax revenues for the City, and a broad range of employment opportunities to City residents. However, this role has changed over time as manufacturing activity has declined in the City, service sector activity has risen in prominence, and the City's role as the focus for manufacturing activity in both Metro Toronto and the Greater Toronto Area has declined. These factors have resulted in a shift in the City's industrial base, which will change even further during the next twenty years. It is this changing nature of City industry and the impacts City policy could have on industries that this study addresses.

The current City of Toronto industrial policy[1] calls for a wide range of proactive support to industry in order:

- *To support the City's function as a producer of industrial goods and services;*
- *To maintain a diversified economic and social structure within the City; and*
- *To retain industrial employment opportunities in areas having convenient access to neighbourhoods housing industrial workers.*

This policy is, however, part of a Plan that was prepared and adopted in the mid 1970s. The City is currently reviewing its Official Plan and will be proposing a

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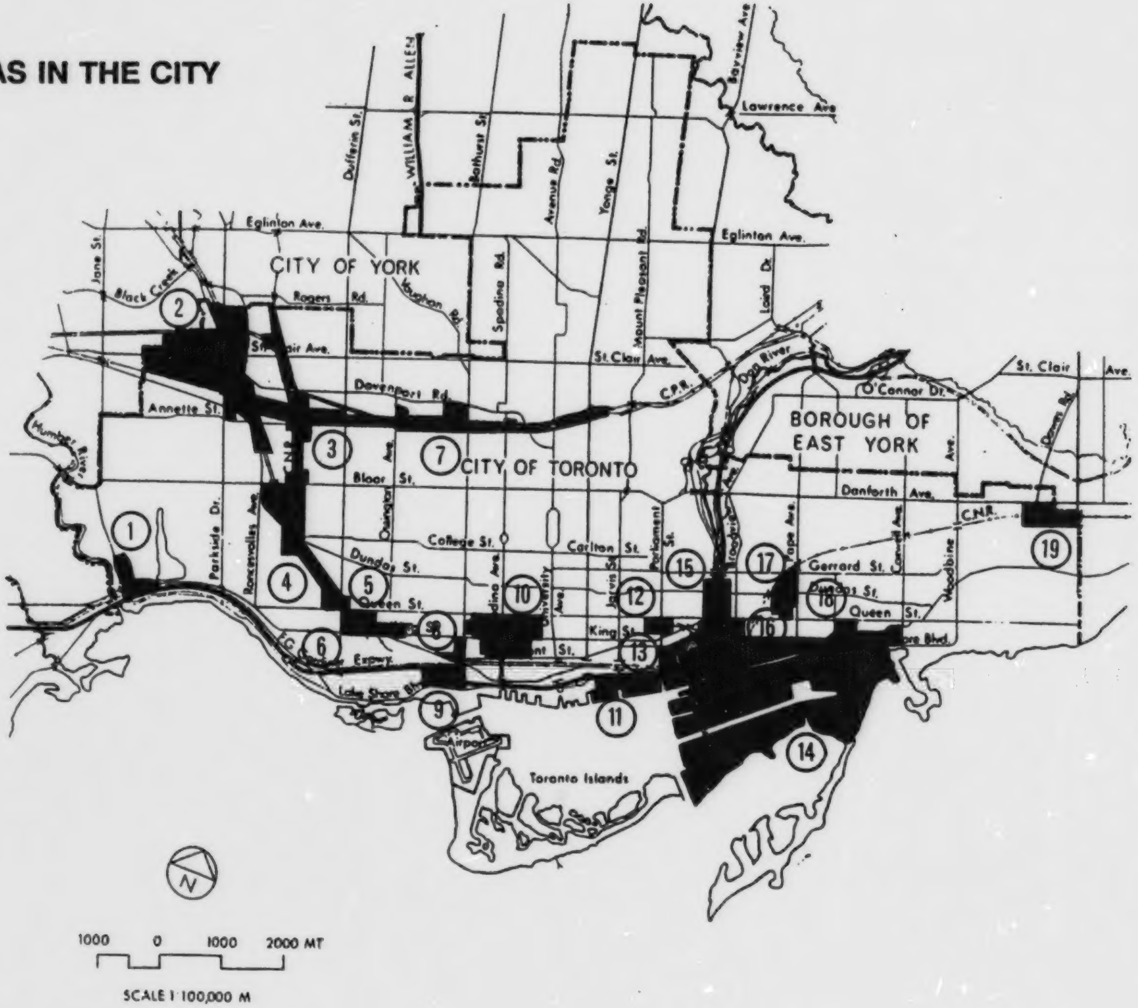
[1] *See Section 4.1, City of Toronto Official Plan.*

EXHIBIT 1

INDUSTRIAL AREAS IN THE CITY


CITY OF YORK
CITY OF TORONTO
BOROUGH OF EAST YORK
Toronto Islands
Airport
Eglinton Ave.
Lawrence Ave
Bayview Ave
Dufferin St.
WILLIAM R. ALLEN
Bathurst St.
Avenue Rd.
Yonge St.
Mount Pleasant Rd.
Laird Dr.
Spadina Rd.
Jane St.
Black Creek
Rogers Rd.
St. Clair Ave.
Davenport Rd.
Annette St.
Humber River
C.P.R.
C.N.R.
Don River
O'Connor Dr.
Danforth Ave.
Bloor St.
College St.
Carlton St.
Dundas St.
Queen St.
King St.
Gerrard St.
Parkside Dr.
Roncesvalles Ave.
Ossington Ave.
Spadina Ave.
University Ave.
Jarvis St.
Parliament St.
Broadview Ave.
Pape Ave.
Coxwell Ave.
Woodbine Ave.
Dawes Rd.
Lake Shore Blvd.
F.G. Gardiner Expwy.
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1: Stelco
2: Stockyard
3: Central West
4: South West
5: West Massey
6: Niagara - Parkdale
7: East Dupont
8: Niagara
9: Fleet Street
10: King - Spadina
11: East Bayfront
12: King - Parliament
13: West Don
14: Port
15: Queen - River
16: South of Eastern
17: Colgate
18: Leslie - Eastern
19: Main - Gerrard

** Areas from the City of Toronto Planning & Development Department. Boundaries based on Official Plan industrial use designations and tax assessment blocks.*

new Central Area Plan in 1991. This review includes an assessment of the current industrial policies. As part of this review, the Planning and Development Department published a report on industrial land use policy which notes[2]:

> - *Toronto's industrial areas represent a major element of the City's urban and economic structure. There is, however, severe pressure to redesignate many of these lands for residential and/or commercial uses, particularly through the mechanism of site specific Official Plan Amendments. The long term ramifications of such redesignation include:*
>
>   *a) significant loss of industrial employment,*
>
>   *b) diminished economic and social diversity, and*
>
>   *c) eliminating opportunities to accommodate future types of industrial uses.*
>
>   *Protecting industrial areas and industrial employment is greatly influenced by existing industrial policies in the City of Toronto. Are these policies still effective and relevant?*

In its conclusion, the report comments:

> *If the apparent trend of continued growth in non-manufacturing sectors with a concomitant loss of manufacturing jobs identified in this report continues, and every indicator suggests that it will, then additional questions may have to be addressed in the near future. These include:*
>
> *1. What kind of physical resources (land and buildings) do/will the new industrial uses require?*
>
> *2. What is the demand for this kind of space likely to be over the next 20 or more years?*

---

[2] *Industrial Land Use Policy in Toronto, City of Toronto Planning and Development Department, May, 1989, pages 1 and 36.*

3. *Is there sufficient industrially designated land in the City to accommodate that projected growth?*

It is these three questions that this Future Of City Industry Study addresses. Specifically, the objectives of the study are "to determine future manufacturing and non-manufacturing industrial employment in City of Toronto industrial areas to the year 2011 and to estimate the physical needs and supply (land and buildings) that will be required to accommodate future industry under each of the following theoretical scenarios:

- Theoretical Scenario A

  Land currently reserved for industrial uses will continue to be designated as such.

- Theoretical Scenario B

  Vacant and/or under-utilized industrial land, and lands occupied by industries that have announced recent plant closures (outside of the Port, Stockyards, Niagara/Parkdale, South of Eastern, King-Spadina, King-Parliament, and Perth-Sterling) will be released for residential purposes."[3]

The areas under Theoretical Scenario B that would have industrial lands redesignated for housing are:

- Stelco
- Central West
- Massey West
- Dupont East
- Niagara
- Fleet Street
- East Bayfront
- West Don
- Queen-River

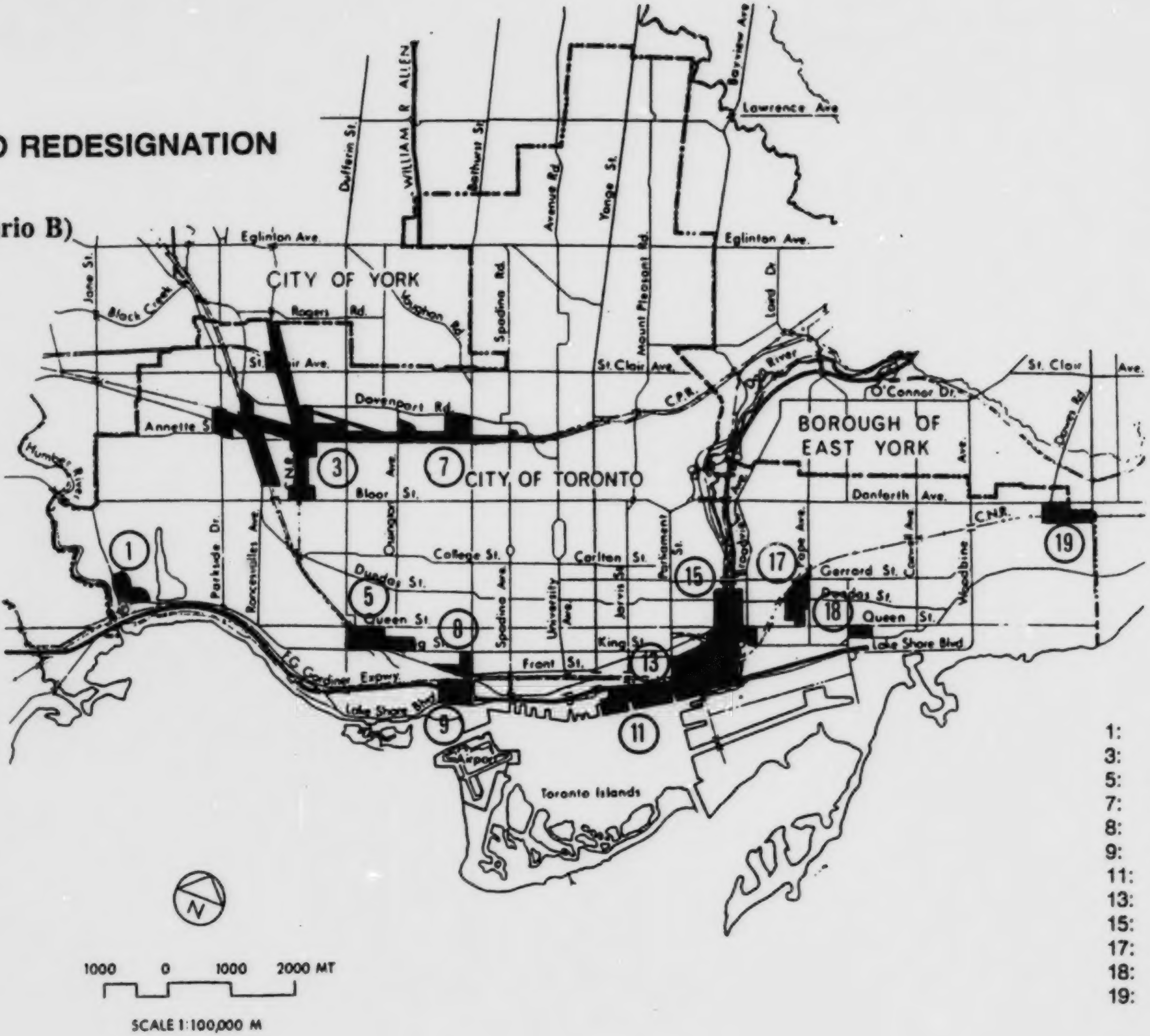
---

[3] *Terms of Reference for Future of City Industry Study.*

EXHIBIT 2

AREAS SUBJECT TO REDESIGNATION

(Under Study's
Theoretical Scenario B)


CITY OF YORK
CITY OF TORONTO
BOROUGH OF EAST YORK
Eglinton Ave.
Lawrence Ave
Bayview Ave
Dufferin St.
WILLIAM R. ALLEN
Bathurst St.
Avenue Rd
Yonge St.
Mount Pleasant Rd.
Laird Dr.
Jane St.
Black Creek
Rogers Rd.
Vaughan Rd.
Spadina Rd.
St. Clair Ave.
Don River
C.P.R.
O'Connor Dr.
Davenport Rd.
Annette St.
C.N.R.
Bloor St.
Danforth Ave.
Dovercourt Rd
Humber River
Parkside Dr.
Roncesvalles Ave.
Ossington Ave.
College St.
Carlton St.
Parliament St.
Bayview
Pape Ave.
Coxwell Ave
Woodbine Ave.
Gerrard St.
Dundas St.
Queen St.
King St.
Spadina Ave.
University Ave.
Jarvis St.
Front St.
Lake Shore Blvd
F.G. Gardiner Expwy.
Airport
Toronto Islands
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19: Main - Gerrard

- Colgate
- Leslie-Eastern
- Main-Gerrard

These areas are shown on the facing map. It must be emphasized that the possibility of such redesignation is being considered for study purposes only and should in no way be taken as an indication of possible City action. These areas were chosen as they contain a diversity of existing employment opportunities, allowing for a more complete analysis of the implications of any Official Plan redesignations.

The results of the study will be used by the City to formulate new planning policies for the City's industrial areas. As a result, the focus of the study has been to develop an understanding of the relationship between the future demand for and potential supply of industrial building space and land. This is done by:

1. Evaluating the basic nature of today's industrial base;
2. Assessing the outlook for industrial employment in the future;
3. Estimating the potential supply of building space in the industrial areas;
4. Comparing the estimated demand for building space with the potential supply and assessing the importance of factors (beyond the demand/supply question) influencing the City's ability to meet the future space needs of industry;
5. Analyzing the potential implications of a large scale redesignation of certain industrial areas for housing identified by Theoretical Scenario B; and
6. Commenting on actions the City can take to promote a vital industrial base.

The study must be viewed in its proper context. The real estate market places urban industrial areas, both in Toronto and other cities, under enormous pressures to be rezoned for higher paying residential and commercial uses. As a result of this constant pressure, city planners and political representatives often develop industrial planning policies as a corollary to policies dealing with non-industrial land uses. This has not been the practice in the City of Toronto where industrial planning policies have reflected an objective to plan for industry. While this study is largely concerned with the potential impacts of Official Plan redesignations that would allow housing development in industrial areas, it should be read in the context of the City's continuing approach of developing plans and programs that proactively foster industrial development.

The report begins by examining the changing nature of the City industrial market, including changes in built space requirements. Next, the key characteristics of today's industrial base are examined and a typology of three categories of industrial firms is developed to assess the future outlook for industrial employment. Potential supply is then estimated based on a site-by-site analysis throughout the City of potential developable sites. Space supply and demand are then compared under each of the two theoretical scenarios. The implications of redesignating industrial land are reviewed in the sixth section, and the final section summarizes the study and comments on actions the City could take to promote a vital industrial base. A set of detailed appendices complete the report.

II THE CITY INDUSTRIAL MARKET IS CONTINUING TO CHANGE

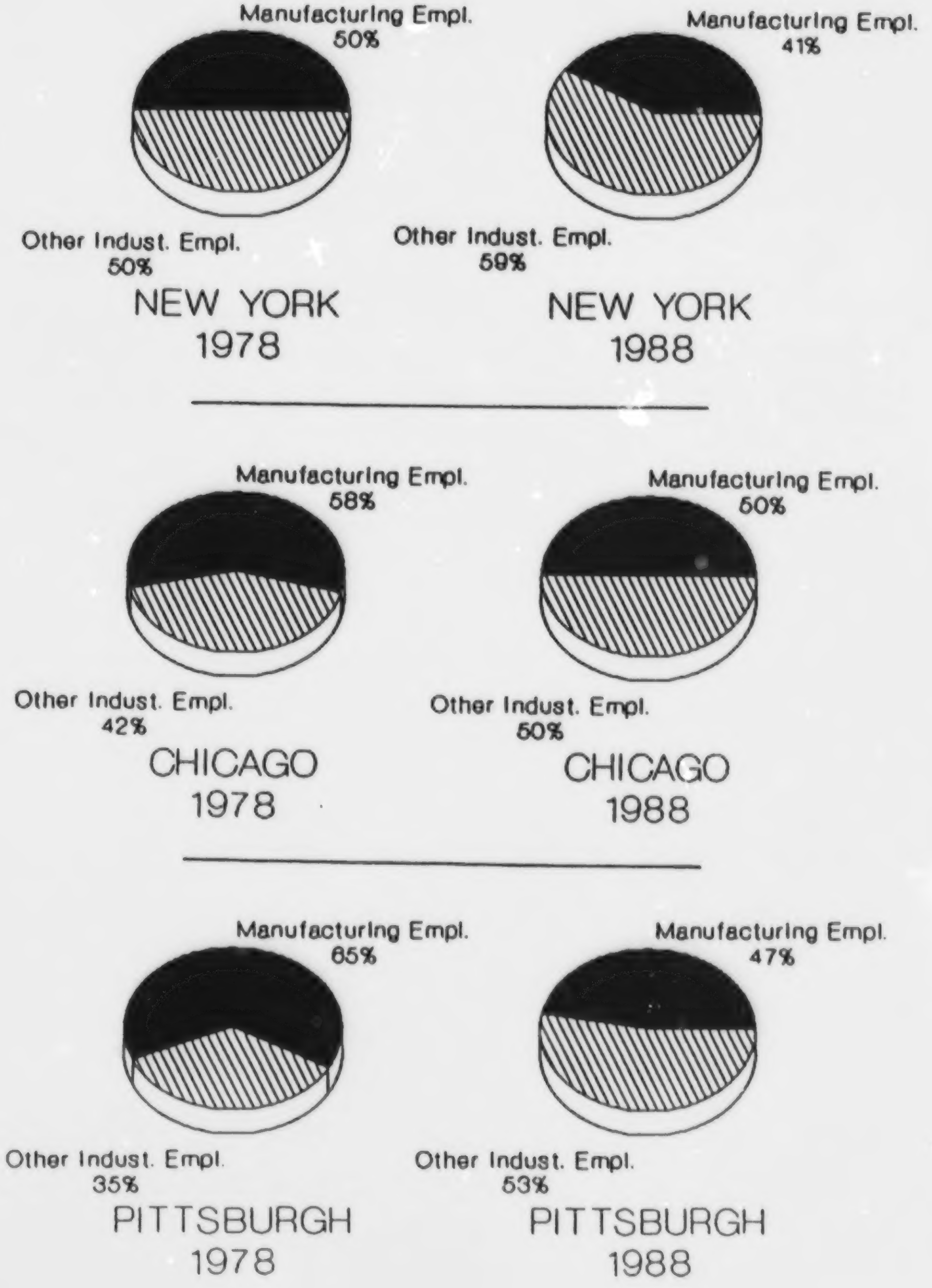
Since the early 1960s, the City of Toronto has seen a decline in the prominence of traditional manufacturers in its industrial base. This trend has also been apparent, and is well documented, in other cities along the North-Eastern Seaboard. While this trend (predicated by the changing needs of manufacturers as well as by market forces) will continue into the future, indications point to a more gradual decline in the traditional manufacturing base than was experienced in the 1960s and 1970s. However, less well documented than manufacturing's move from city locations, has been a corresponding rise in new types of industries; particularly in broadcasting, film/video, and design oriented (graphic arts, fashion design) sectors. These smaller firms are often cyclical, but for the most part have a high level of growth. They utilize a different type of industrial space, which has been produced in both new, purpose built buildings, as well as in renovated former manufacturing and warehousing buildings.

A. TRADITIONAL MANUFACTURING'S MOVE FROM THE CITY BEGAN IN THE 1950s

Decline in urban manufacturing industry in Canada and the U.S. can be traced back to the 1950s. While trends varied from city to city, the 1950-1975 period generally saw a decline of approximately 50% (measured in terms of both employment and number of firms) in traditional manufacturing and wholesaling activity. In New York City, approximately 600,000 jobs in manufacturing industries (on a base of over one million employees) were lost in the 25 years

EXHIBIT 3

AS MANUFACTURING EMPLOYMENT HAS DECLINED, NON MANUFACTURING EMPLOYMENT HAS GROWN IN OTHER CITIES



Data from Cognetics Inc., Cambridge, Mass. Data is based on type of space occupied not employment categories and is for the metropolitan area. As such it is not directly comparable with City of Toronto data.

following the end of the Second World War, with the majority of the loss occurring in the mid 1960s, early 1970s. The City of Toronto recorded a loss of 47% of its manufacturing employment in the 1950-1971 period, and a similar percentage drop in the number of manufacturing firms. During this same period, manufacturing in Metro Toronto rose to over 330,000 employees, from its 1950 base of 190,000. Beginning in the mid-1970s came the development of municipalities outside of Metro, such as Mississauga, Markham, and Vaughan, which have grown to accommodate the majority of the recent industrial land absorption within the Greater Toronto Area.

A combination of factors, now very familiar, have been cited to account for industry's movement from central city locations to suburban locations. Essentially, the newer suburban industrial area could better respond to a variety of location requirements including:

- The need for single storey, as opposed to multi-storey, industrial buildings
- Proximity to major highways and airports
- Need for large sites to accommodate truck loading and parking
- Proximity to a growing suburban labour pool
- Desire for new facilities, often with a high proportion of office space, in an "upscale" location

The ability of suburban areas to respond to these location requirements and a number of changes in market conditions in the urban areas put central city locations at a further disadvantage. These changes included:

EXHIBIT 4

GENERAL CHARACTERISTICS OF STUDIO-TYPE USERS

- Space needs from 1,000 - 5,000 sq. ft. with most units under 3,000 sq. ft.
- Seek "unique space" - typically an older building look with exposed brick, wood floors - different from a traditional office or industrial facility.
- Windows and skylights desirable, although some uses (sound, video studios) may prefer no windows.
- Higher ceilings desirable (14 to 16 ft. clear) but many users can be accommodated in 9 - 10 ft. ceilings.
- Low level of interior finish.
- High quality lobby or distinctive entrance.
- Can operate in multi-storey facilities.
- Freight elevator not necessary.
- Usually need to be in "fringe downtown" areas - close to suppliers, clients, others in a similar business, public transit, and employee base. Large need for support services nearby - copy shops, restaurants, etc.
- Prefer leasing - seldom seek an equity stake due to lack of capital and uncertainty of medium term space needs.

- An increasing lack of choice of vacant industrial land
- The small size of many of the available vacant land parcels
- The fact that some of the industrial land was effectively "off the market" - being held for speculative purposes
- The significantly higher property taxes in urban areas
- Relatively higher rents in urban areas.

B. THE NON-MANUFACTURING INDUSTRIAL SECTOR IS GROWING AND OCCUPYING A DIFFERENT TYPE OF SPACE

Concurrent with the decline of traditional manufacturing industries in urban areas has been a corresponding rise in employment in non-manufacturing industries. These firms, for example, include those involved in the design and communications field - graphic designers, photographers, and film and video firms, either at the production, or the post production phase. This rise in the prominence of non-manufacturing industrial uses is apparent from employment data for New York, Chicago and Pittsburgh.

In the City of Toronto non-manufacturing's share of industrial employment grew from 20% in 1983 to 31% in 1989. In Toronto and other cities, a different type of industrial space has been created to meet the growing demands of this sector. Typically referred to as "studio" space, it is different in size, building specifications, and level of finish than traditional manufacturing space in either City or suburban locations (Exhibit 4).

The vast majority of this space in Toronto is located in renovated, former manufacturing buildings. There have also been a more limited number of examples of new, multi-storey industrial developments, with the majority of these buildings focused on a particular industry (usually the fashion industry). There are also some examples of lower density new buildings providing industrial space (particularly in the King-Dufferin area). Examples of these building types are:

Examples Of Renovated Buildings Providing Studio Space To Non-Manufacturers

1. 1179 King Street West - Former Toronto Carpet Building

The former Toronto Carpet building, located about two miles west of the downtown core in the Niagara/Parkdale district, was built in 1899. It is actually a complex of three buildings occupying an entire city block with a total floor area of approximately 400,000 square feet.

The main building was one of the first buildings in Toronto targeted at the new non-manufacturing sector. Prior to leasing in the late 1970s, the building was subject to minimal renovations which included dividing walls, new lighting, and sanded floors. The public area of the building was finished to a basic quality and no lobby was provided.

The present occupants of the building are a combination of small businesses and sole proprietors. Large parts of the building are divided into small suites occupied by very small firms (under 1,000 sq. ft.). Close to half of the space is leased to firms in the design industry. Among these are a number of photographers, artists, graphic designers, fashion designers and film/television agents.

2. 189 Dufferin Street - Formerly the Canadian General Electric Plant

The main buildings of this former Canadian General Electric Plant were originally built in 1909 and were sold in 1985. It is also located in the Niagara/Parkdale district, near the former Toronto Carpet Building.

No exterior or major structural renovations were required and the basic interior renovations were conducted on a section by section basis as required for leasing. The quality of the interior finishes in this building are of a slightly higher standard than the Toronto Carpet Building, with higher finish hallways and a small finished lobby. Because of the complex nature of the buildings, the space is highly variable in terms of configuration and number of windows. The building is occupied primarily by small start-up firms in the computer, art and design, theatrical, trading, and film/video sectors.

Examples Of New Buildings Providing Studio Space To Non-Manufacturers

a) Higher Density Buildings

1. 555 Richmond Street

This building, completed in early 1988, is located east of Bathurst in the King-Spadina district. It provides over 300,000 sq. ft. of space in 12 storeys. The top three floors (floor plates of 25,000 sq. ft.) provide space finished to typical office space standards and are predominantly occupied by firms in the fashion industry. Five floors are reserved for sample and showroom tenants. The building has three passenger elevators and three freight elevators. There are four indoor truck doors with automatic load levellers and two levels of underground parking for 250 cars. The lobby is finished with marble floors and walls. Major tenants include Simon Chang, Nintendo, and Calvin Klein.

2. 700-720 King Street West

These two adjoining buildings, one built in the mid 1970s, the other in the mid 1980s, provide over 500,000 sq. ft. space, predominantly to the fashion industry. Four passenger elevators and two freight elevators serve the 13 floors. Ceilings are typical 8'6", with modular T-bar systems. The lobby is staffed 24 hours a day and is finished to a moderate-high standard. Standard floorplates are approximately 20,000 sq. ft. There are three levels of underground parking. Space users are of various sizes (some showroom space as small as 600-700 sq. ft.), with large users often combining office, showroom, design and manufacturing space in one location. Tenants include Gitano, Alfred Sung, and Marilyn Brooks.

b) Lower Density Buildings

3. Jefferson Square (64 Jefferson Avenue)

This recently developed project contains approximately 80,000 sq. ft. of space. In built form it duplicates the low density "suburban industrial multiple" look, with separate units (from 2,000 - 5,000 sq. ft.). Each unit has an interior staircase to the second floor, which can also be accessed from the exterior. Approximately 120 surface parking spaces are provided. There is a high level of exterior finish including red brick, reflective glass and skylights. Tenants include YTV, other production and video companies, and design firms.

EXHIBIT 5

Non-Manufacturing Employment Has Grown, As Manufacturing Employment Has Declined

Employment By Sector for 19 Industrial Areas
1983 - 1989

Sector	1983	1989	Average Annual % Gain/Loss
Manufacturing			
Food Processing	7,252	6,165	- 2.7%
Textiles, Leather	1,634	1,846	2.1
Metal Products	1,572	1,557	- 0.2
Chemicals	1,511	897	- 8.3
Clothing	9,231	7,639	- 3.1
Furniture & Fixtures	2,059	1,618	- 3.9
Machinery & Equip	1,023	709	- 5.9
Electrical Equip	2,608	1,099	-13.4
Printing	1,796	922	-10.5
Postal Sorting Station	2,618	3,199	3.4
Other Manufacturing	7,064	5,355	- 4.5
Warehousing	1,057	1,171	1.7
Storage	453	257	- 9.0
Total	39,878	32,434	- 3.4
Non-Manufacturing			
Photo & Graphics	1,232	2,057	8.9%
Data Processing	209	278	4.9
Film/Video/Audio	583	1,375	15.4
Radio/TV Stations	-	496	-
Other Media	142	480	22.5
Newspaper Publish	2,234	2,334	0.7
Other Publishing	201	341	9.2
Transport Terminals	822	3,199	25.4
Business Equip	556	345	- 7.6
Lumber Yard	288	216	- 4.7
Wholesalers	2,214	1,735	- 4.0
Auto Repair/Service	1,069	1,283	3.1
Car Dealerships	120	215	10.2
Car/Truck Rentals	28	114	26.4
Total	9,698	14,468	6.9%
Total Industrial Employment in 19 Industrial Areas	49,476	46,902	- 0.9%
Total Industrial Employment In The City	91,152	91,254	0.0%

C. PAST TRENDS ARE CONTINUING, RESULTING IN A FUNDAMENTAL CHANGE IN THE NATURE OF INDUSTRY IN TORONTO

The trend of the 1950 to 1970 period has continued in the 1980s. Across the 19 industrial areas of the City the manufacturing industry category declined by approximately 7,500 employees between 1983 and 1989 (Exhibit 5). This equates to an average annual loss of just under 3.5%. Employment was down across all categories, with the major exception being the textiles and leather category.

The non-manufacturing sectors continued to grow well during the 1980s. Overall employment rose by nearly 5,000 employees. While annual percentage gains were high, much of this was due to the small employment base in any given category. For example, CITY TV's move into the King-Spadina industrial area alone accounted for almost 75% of the total growth experienced throughout the 19 industrial areas in the Radio/TV Station category.

This long period of manufacturing decline and a rise in non-manufacturing has fundamentally changed the nature of the City's industrial base. Manufacturing firms that preferred a suburban or beyond location and could afford relocation have, by and large, left the City. Those remaining manufacturing firms that serve national or international markets have adapted to an increasingly urban situation and remain due to established business patterns and the high costs and disruptions associated with relocating. Others, such as bakeries and small food processing firms, serve a local market and need to be located in the City. Very specific factors, such as serving an exclusively local market (e.g., graphics firms serving financial core clients) or a need to be located amongst other similar businesses (e.g., fashion designers, video or sound firms), mean that such non-manufacturing firms often can only carry on their activity in a City location.

D. CITY INDUSTRIES FALL INTO THREE DISTINCT GROUPS

In order to undertake an assessment of the future outlook for City industry it is first necessary to understand the distinct features and attributes of the industrial firms that make up today's industrial base located in the City. Our analysis indicates that five fundamental factors define City industries: employment and firm characteristics, locational characteristics, built space requirements, land use compatibility, and sensitivity to City land use policies and economic development programs. The City's industrial base was reviewed according to the following criteria for each of the five factors:

i) Employment And Firm Characteristics

- Scale of total employment in the industry category
- Size of individual firms
- Number of firms
- Past employment characteristics

ii) Locational Characteristics

- Linkages to other City industries and business in other sectors
- Transportation and labour force availability
- Market area for products and services, and material inputs

iii) Built Space Requirements

- Need for purpose-built space
- Office-type space versus industrial-type space
- Ability to use multi-storey space

EXHIBIT 6

CITY INDUSTRIES FALL INTO THREE KEY GROUPS

Traditional Manufacturing Industries	City Oriented Industries	Industries Serving The Service Sector
• generally a small number of firms employing large numbers of people located in City for historical reasons	• generally small and medium sized firms which have a reason to locate in the City	• generally small firms which provide services to businesses and consumers
• linkages are mostly national and provincial	• strong linkages to other industrial firms in the City	• strong linkages to local market
• primarily located in older purpose built structures	• can occupy multi storey buildings	• can occupy multi storey buildings
• very sensitive to neighbouring uses	• generally compatible with a range of other uses	• generally compatible with a range of other uses
• sensitive to City land-use policies	• specific City economic development programs have had good results	• relatively insensitive to City policies and programs
eg. Food and Beverage Other Manufacturers	e.g. Fashion Film/Video Audio	e.g. Photography Graphics Printing

iv) Land Use Compatibility

- Compatibility with manufacturing and non-manufacturing uses
- Compatibility with residential uses

v) Sensitivity To City Policy

- Ability of City policy to influence location decisions and outlook for the industry

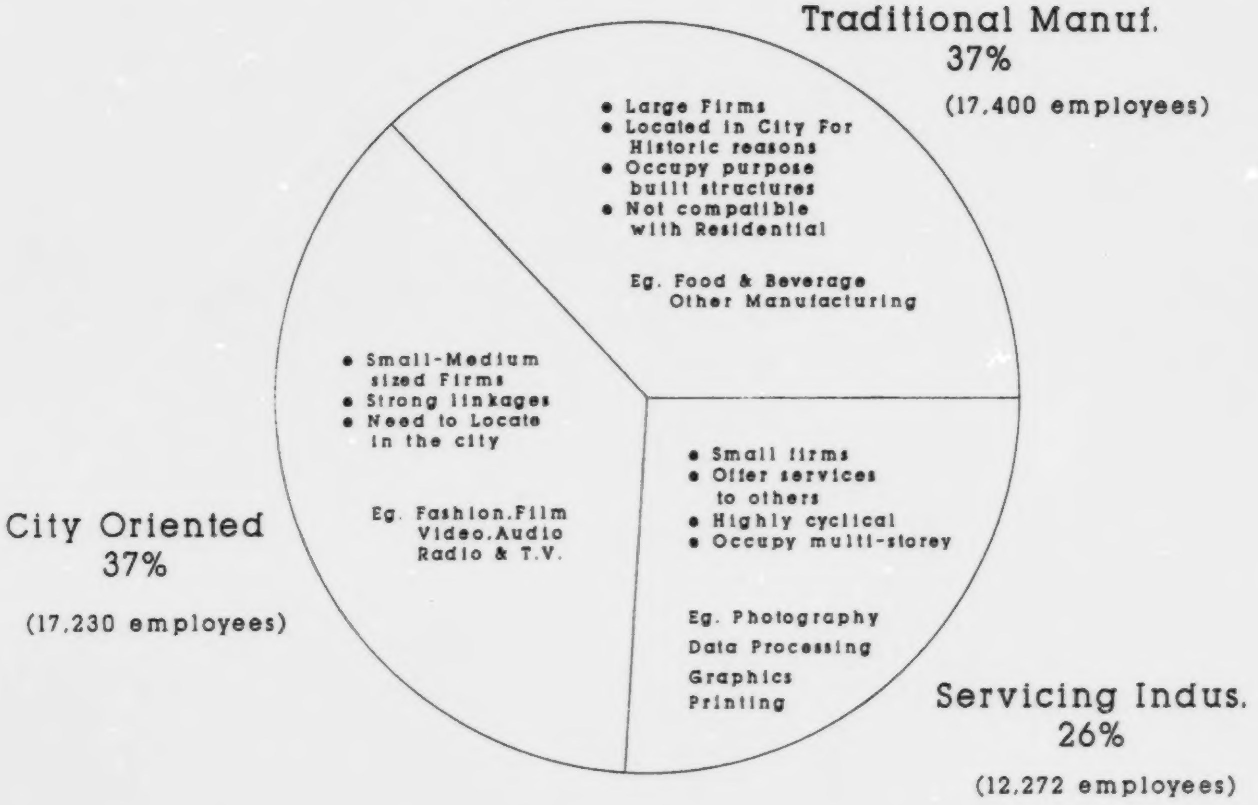
Our review of these criteria resulted in a typology (see Exhibit 6) that defines three groups of City industrial firms - Traditional Manufacturing Industries, City Oriented Industries and Industries Serving the Service Sector. These three groups recognize the unique character of the City's industrial base. Members of the first category, Traditional Manufacturers, are located in the City for historic reasons and remain because of inertia. City Oriented Industries have particular needs which can best be met through City locations. Industries Serving the Service Sector provide services and products directly to individual customers or to firms in the City's service sector. They are located in the City to be close to this clientele.

It is critical to understand that the purpose of the three group typology is to provide insight into the condition, needs and outlook for industry in the City. The typology is not intended as a definitive classification of organizations since parts of some individual firms can fall into more than one category (e.g., the fashion industry has both traditional manufacturing and city oriented components).

The following reviews each of the three groups in terms of the five factors.

EXHIBIT 7

Traditional Manufacturing, City Oriented & Industries Serving The Service Sector Are The Three Industry Groupings



Traditional Manuf.
37%
(17,400 employees)

- Large Firms
- Located in City For Historic reasons
- Occupy purpose built structures
- Not compatible with Residential

Eg. Food & Beverage
Other Manufacturing

City Oriented
37%
(17,230 employees)

- Small-Medium sized Firms
- Strong linkages
- Need to Locate in the city

Eg. Fashion,Film
Video,Audio
Radio & T.V.

Servicing Indus.
26%
(12,272 employees)

- Small firms
- Offer services to others
- Highly cyclical
- Occupy multi-storey

Eg. Photography
Data Processing
Graphics
Printing

1. TRADITIONAL MANUFACTURING INDUSTRIES

The first group of the typology is traditional manufacturing industries. This group is dominated by major manufacturers who have remained in the City. It also includes a number of smaller accessory industries remaining in the City only to serve the larger manufacturers, such as the secondary processing businesses in the Stockyards area serving the major meat packers. These two types of firms make up over 90% of the firms in this group. The remaining firms are small, newer manufacturers, such as food processors, serving the City market. The major employment sectors in this category are food and beverage and other manufacturers including such firms as packing suppliers, optical manufacturers, jewellery manufacturers, and notions and novelty manufacturers.

The following reviews the five factors as they apply to the traditional manufacturing group:

i) Employment And Firm Characteristics

- Group employs just over 35% of the total industrial employment within the City's industrial areas.
- Dominated by a small number of firms employing large numbers of people.

ii) Locational Characteristics

- Located in the City only for historical reasons and typically remain by inertia - in many cases they would not choose a City location for a new plant, but remain to make efficient use of existing capital investment.
- Linkages to businesses nationally and provincially with few specific City linkages.

- Labour force availability and access to transit services is a benefit of a City location, but goods transport can be a strong deterrent to their current location.

- Market area for manufactured products is international, national and regional so City location provides no particular market advantage, except being in the Golden Horseshoe market, which is extremely important for sectors such as food and beverage.

iii) Built Space Requirements

- Generally located in a wide variety of older purpose-built buildings.

- Accommodated in both single and multi-storey buildings. In some cases, expensive adaptations have been made to multi-storey buildings although the firms basically have a preference for single storey locations. Moves out of City locations are usually to single storey buildings.

iv) Land Use Compatibility

- Have high degree of compatibility with non-manufacturing uses that provide some services to manufacturers. However, they are definitely not compatible with residential uses.

v) Sensitivity To City Policy

- City policy cannot typically attract new manufacturing industries to the City but can play a role in preserving and extending the lifespan of existing industries and the 'comfort' level for new investment, mainly through ensuring compatible neighbouring land uses.

SUMMARY

Traditional manufacturing firms are located in the City for historic reasons. With national and provincial linkages, a City location provides no particular market advantage, and may be a disadvantage for some firms. Inertia tends to keep these firms located in the City. They are definitely not compatible with residential uses, but can co-exist with the newer non-manufacturing uses.

2. CITY ORIENTED INDUSTRIES

This group includes both older and newer firms in sectors which have a specific reason to locate in the City. It makes up about 25% of the industrial employment in the City's industrial areas. The group includes the fashion industry and film/video/media industries, as well as some very specific industrial uses which may be oriented to the City because they have a special reason to locate here. Examples of the latter would include concrete batching plants to serve core area construction and recycling plants in the Port area, which are dealing with high volume/low value goods, such as paper, at the source of supply. Many construction related industries (especially smaller firms) would also fall into this category, as would some "green industries". The major current employment sectors in this category are:

- Fashion
- Film-Video-Audio
- Radio and TV Stations
- Publishing and Newspaper Business

The five factors as they apply to this group:

i) **Employment And Firm Characteristics**

- Generally made up of a large number of small and medium sized firms which are often more stable (in terms of size) than the highly fluctuating industries serving the service sector category described next. There are a few large organizations which often are dependent on specific factors (e.g. government funding for the CBC) for their growth.

- Parts of some of these industries have characteristics of traditional manufacturing industries (e.g., clothing manufacturing in the fashion sector, bulk tape duplication and distribution in the film-video-audio sector).

ii) **Locational Characteristics**

- A predominant characteristic of this group is that these firms are strongly linked to other business within their own sectors.

- Access to transportation and labour force is a key element, especially for the more traditional sectors of the group, such as the fashion industry.

- Market for products from this category is national, regional, and local.

iii) **Built Space Requirements**

- Generally these businesses can occupy multi-storey industrial space, except for some specific users with special requirements, such as newspaper plants.

iv) **Land Use Compatibility**

- Generally compatible with all other industrial and commercial users and, while not compatible with residential uses, they are not as sensitive as are traditional manufacturers.

v) Sensitivity To City Policy

- City zoning policy has some influence as many of these users are very price sensitive in terms of space needs.
- The main policy influence, especially for the fashion and motion picture sectors, is through economic development programs rather than planning policy. The fashion and motion picture sectors are quite responsive to the City initiatives taken in recent years.

SUMMARY

These small and medium sized firms are strongly linked to other firms in their sector, and will agglomerate in City locations. Some elements of this sector have characteristics of the other two groups (manufacturing, industries serving the service sector). Firms can typically occupy multi-storey space and are generally compatible with other industrial uses.

3. INDUSTRIES SERVING THE SERVICE SECTOR

This group includes firms within the industrial areas of the City that provide services to other sectors (either to businesses or directly to individual customers). It comprises over 35% of industrial employment in industrial areas. These services are either industrial in nature (in terms of cleanliness or built form requirements, e.g., a rug cleaning firm) or are more of an office type of service which has been defined as industrial by the City (e.g., graphic artists). The sectors in this category include:

- Photo and Graphics
- Data Processors
- Printing
- Other Media

The five factors as they apply to this group:

i) Employment And Firm Characteristics

- This category includes most of the non-manufacturing industrial employment, except for the film and media sectors. It also includes some manufacturing uses such as printing and postal sorting.
- Made up of a large number of small firms (Canada Post being one of the few very large organizations within this category).
- A highly cyclical group, dependent on general economic conditions.

ii) Locational Characteristics

- Strong linkages to other businesses because of their service nature. Most printing, graphics, photography businesses and similar firms are located in the City because they are serving corporate clients located in and around the downtown area. There are also a wide variety of industrial type businesses which are serving consumer needs (auto related), the needs of various other businesses (janitorial services) and speciality parts, cleaning or repair businesses serving the retail, industrial, commercial and consumer sectors.
- Market for these businesses is largely local though a national and regional dimension exists that is usually secondary in nature.
- Transportation and labour force are not usually a crucial factor for these businesses, though creative businesses usually have a strong draw on a resident City labour force.

iii) Built Space Requirements

- This category includes a wide variety of businesses many of which are office/studio type users and can occupy multi-storey industrial buildings.
- Other firms in this category are not as "clean" and occupy more traditional industrial commercial space (printing, auto related).

iv) Land Use Compatibility

- The office/studio type businesses are very compatible with other industrial and commercial uses. The more "industrial" type members of this category are less compatible with other uses.

v) Sensitivity To City Policy

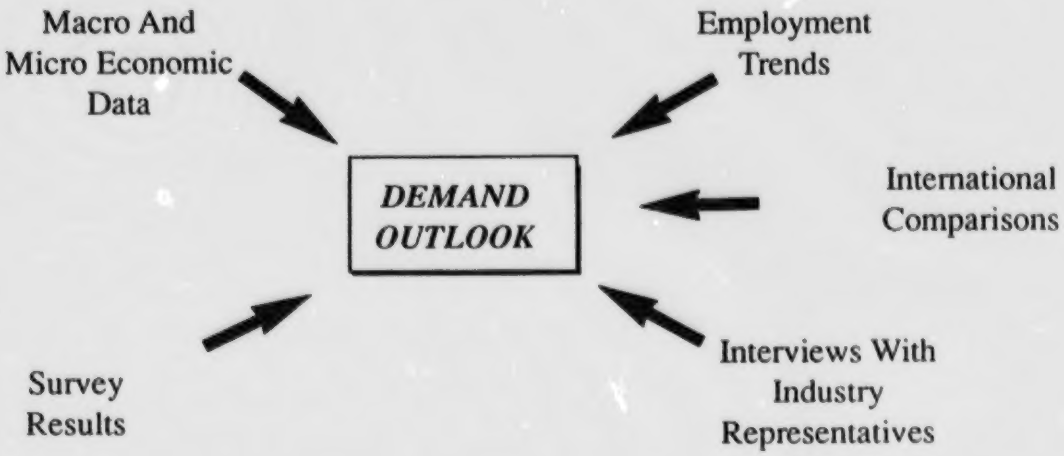
- These industries are not generally policy or program sensitive since most can occupy a wide variety of space types in various locations, including buildings in non-industrial areas. They are generally compatible with other industrial and non-industrial uses.

SUMMARY

The very small firms in this category are highly cyclical and dependent on the general health of the economy. The strong linkages to other firms and to individuals demand a City location. They occupy multi-storey space and are compatible with a range of uses and are generally not sensitive to City policies and programs.

EXHIBIT 8

THE STUDY METHODOLOGY RELATES SUPPLY AND DEMAND TO DETERMINE LAND REQUIREMENTS



Macro And Micro Economic Data

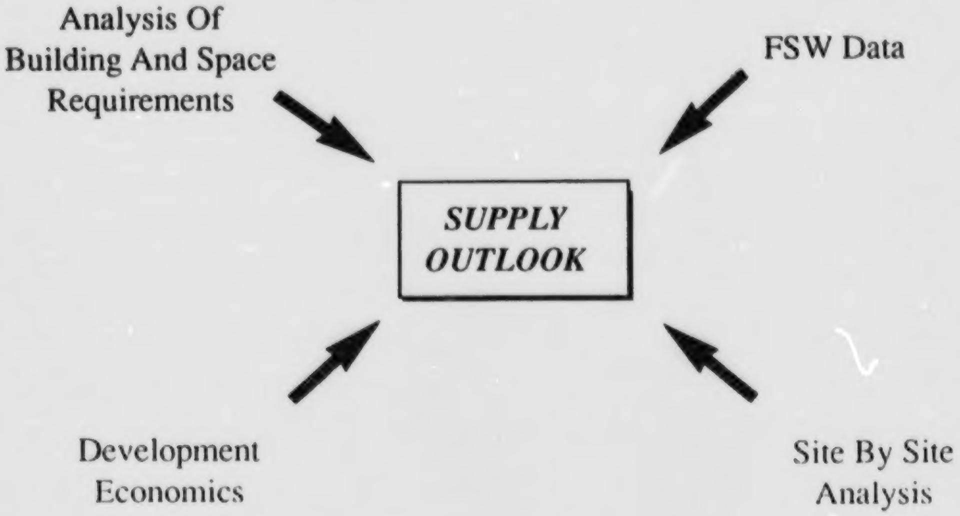
Employment Trends

DEMAND OUTLOOK

International Comparisons

Survey Results

Interviews With Industry Representatives



Analysis Of Building And Space Requirements

FSW Data

SUPPLY OUTLOOK

Development Economics

Site By Site Analysis

III THE OUTLOOK SUGGESTS MODERATE FUTURE INDUSTRIAL EMPLOYMENT GROWTH

This section reviews our assessment of the future outlook for City industrial employment. The employment outlooks were developed based on a variety of quantifiable and non-quantifiable inputs including: macro and micro economic analysis, international comparisons, personal interviews and surveys of industrial representatives. The outlook suggests continued, though more moderate, employment decline in the traditional manufacturing category, with moderate to medium levels of growth in the other two categories.

A. EMPLOYMENT OUTLOOKS BASED ON AN ACCEPTED METHODOLOGY

A "bottom up" forecasting methodology was followed for the assessment of the future employment outlook. This method utilized a broad range of inputs (shown on the facing page) to create employment outlooks for the study period based on an understanding of the characteristics and requirements of the underlying industries. A "top down" model that would allocate employment by sector, based on a macro economic model, was not used due to the limited applicability of broad macro economic forecasts to the limited and specialized case of industries in the City of Toronto. An in-depth sectoral analysis was not possible, given the study budget and data limitation, or necessary as the study is primarily related to land use, not detailed economic questions. The demand inputs examined include the macro economic context, international comparisons, past employment trends in the City, interviews with industry representatives and surveys of City industries.

1. Macro Economic Patterns Show Good Levels Of National And Provincial Economic Growth, With Employment In The Greater Toronto Area Growing Below Historic Averages

Broader macro economic forces were briefly examined to serve as a context to the sectoral analysis, though it was recognized that they would be of limited applicability. The general long term economic outlook, at both the national and provincial levels, is for continued economic growth. Ontario is generally forecast to outperform the Canadian economy as a whole. The long term effects of the Free Trade Agreement are still unknown, though certain sectors (e.g., food and beverage) are expected to be negatively affected, the service sector positively affected, and communications industries unaffected. However, these sector-wide trends often have unclear impacts on the City's industries due to the high degree of product specialization and competitive position of many City firms.

Based on the Greater Toronto Co-ordinating Committee's employment forecasts[4], a total employment rate of 15% over 20 years is forecast for the Greater Toronto Area. This level is far lower than the historical annual average of 3.1% (from 1971 to estimated 1991). Most of this employment growth is forecast to occur in the suburbs, with the majority being in the office and service sector.

2. International Comparisons Show That The Growth Of The Non-Manufacturing Sector In Toronto Has Outpaced Other Cities

The experiences of other major North American cities which are undergoing a change in their historically manufacturing-dominated industrial base were examined. While specific comparisons will be drawn throughout the analysis, the following overall trends were apparent:

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[4] *Employment forecasts prepared by Hemson for the Greater Toronto Co-ordinating Committee in 1989 forecasting employment to 2031 for the GTA and its five regions and to 2011 for the 30 area municipalities.*

- Manufacturing employment has declined in the cities examined (New York, Chicago, Pittsburgh), beginning in the 1950s and extending to the present time.

- In other centres (unlike Toronto where the non-manufacturing industrial category grew sufficiently in the 1980s to "replace" lost manufacturing jobs), the non-manufacturing industrial sector has remained mostly static or has grown marginally. Due to often drastic declines in the manufacturing base, the share of non-manufacturing to total industrial employment may have risen, while in absolute terms only a small growth was recorded. In some cases, modest non-manufacturing growth was due to slow to static growth of the overall city's economic base. In others (e.g., New York), high wage costs and other high capital costs (predominantly rent) have acted to slow the growth of some non-manufacturing sectors.

A more complete analysis is provided in Appendix A.

3. Employment Data Show Clothing And The Food And Beverage Sector As The Largest Industrial Employers

Employment data from Metro Toronto's annual employment surveys were assessed for the City's industrial areas. Data were obtained by both employment categories and by area sector for each year from 1983 to 1989.

The ten largest industrial employment sectors in industrial areas are listed below.

Largest Industrial Employment Sectors In Industrial Areas (1989)

	Employment Total	% Of All Employment In Industrial Areas
1) Clothing	7,639	9.5%
2) Food Processing	6,165	7.6%
3) Other Manufacturing	5,355	6.6%
4) Transportation	3,565	4.4%
5) Postal	3,199	3.9%
6) Newspapers	2,334	2.9%
7) Graphics	2,057	2.6%
8) Textiles	1,846	2.3%
9) Wholesale	1,650	2.0%
10) Furniture	1,618	2.0%
		43.8%

It is important to note that industrial employment in the industrial areas makes up only a small proportion of the overall employment in the City (approximately 6%). The financial services sector, by comparison, accounts for over 13% of all City employment[5].

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[5] *Employment data for 1987 for the FIRE employment category.*

4. Surveys Of Industrial Co-Ordinating Committee And SETIAO Members Revealed Emerging Trends

A presentation of the mandate of the study was given to the three Industrial Co-ordinating Committees (South-East area, West Toronto, and North Toronto). A two page survey was then sent to all regular members as well as those members on the mailing lists. Over 140 surveys were sent. A meeting was also held with SETIAO (South East Toronto Industrial Awareness Organization) and with the Fashion Industry Liaison Committee.

Members were asked about the past experiences of their firm (growth/decline in employees, space, sales, reasons for locating in current location), future plans for their firm, overall outlook of the industry sector, and the compatibility of their industry with both non-manufacturing industries or with residential users. General comments included:

- a medium to long term optimism for their own firm - though many recognized that the short term outlook was "not rosy"
- some have recorded healthy levels of previous growth - one serving the service sector company estimated that capacity has doubled since 1964, others have recorded steady employment levels but improved their competitive position
- a long history of operating in the City - with some firms mentioning being at their present location for almost 100 years
- a reluctance to move from existing City locations despite attractive opportunities elsewhere. Businesses cited high moving costs and that "it would be a terrible job to move"
- however, major growth would necessitate a move - "if we had to double our capacity, we would have to move (outside the City)" or "any further expansion would be at locations outside the City"
- manufacturing firms saw themselves as highly incompatible with residential uses, but compatible with the newer non-manufacturing industries

- while some felt that they would eventually be "forced out" of their area by rising land prices, others hoped that a "manufacturing friendly" (restrictions placed on non-industrial uses allowed in industrial areas) setting would be maintained

- there was also a degree of scepticism of "whether the City wants industry to remain"

A list of the 28 respondents is included in Appendix E.

5. Interviews With Industry Representatives Also Revealed Key Trends

Personal interviews were held with key industry representatives from manufacturing and non-manufacturing industries. Interviews were held to determine:

- emerging trends
- impacts of macro economic factors (free trade, GST, interest rates, etc.)
- outlook for their industry in both the short and long term

The wide variety of comments are reflected throughout the body of this report. General comments included:

Fashion

- There is a distinction between showroom space (in City locations due to agglomeration economics, downtown life style and linkages with nearby services), design space (part of showroom space or manufacturing space), and manufacturing space (more affected by space costs, parking, access to employees).

- The importance of contractors to the fashion industry means that Metro's employment statistics may not accurately reflect the role of home workers.

- Toronto fashion designers are increasingly competing in a global environment. Therefore, though Canadian garments have a good international reputation, lower cost offshore labour and the effect of the GST on retail sales will continue to be problems for the industry.

Film/Video/Audio

- Though the industry has grown substantially, it currently stands at a critical point - will the current economic slowdown permanently affect the City's competitive position, or will growth continue?
- The industry is used to "boom-bust" cycles and, unlike manufacturing industries with fixed equipment, "film studios can be mothballed and turned into furniture warehouses overnight".
- There is a large component of the industry (eg., bulk tape production and distribution) which does not typically operate in the City. Studios, as well, are highly dependent on a cheap location and have located in facilities outside the City.

Other Industries

- The high degree of cyclicality of industries serving the service sector, including photography and graphics - "lots are entering the field, and lots are going bankrupt".
- The unlikelihood of many new, large data processing centres emerging in the City.
- Media and publishing firms need central locations, usually in fringe downtown areas, and "unique", often highly renovated, space.

A complete list of the 39 representatives is included in Appendix D.

B. CONTINUED MANUFACTURING DECLINE WILL BE COUNTERACTED BY NON-MANUFACTURING GROWTH

Employment outlooks were prepared for each of three industry groups on a City-wide basis for the next twenty-two years. The employment outlooks were developed from an assessment of the characteristics of the industrial firms in each of the three groups and by analyzing two basic trends:

Emerging Trends

Macro and micro economic trends identified in the literature, past and current experiences in other cities, survey results and discussions with key industry representatives provided the basis for assessing the emerging trends for each group.

Past Employment Trends

Past employment trends identified during the late 1970s and 1980s for each of the groups.

Though employment outlooks are broken into five year periods, this is for purposes of enumerating employment totals only. Reference should be made to the overall, 22-year outlook. Short term cyclicality or major manufacturer relocations will alter one to two year totals. The long term outlook, however, is expected remain the same. For similar reasons, a forecast range was placed on total employment changes over the entire study period only (i.e., not for the five year totals).

As well, outlooks were prepared on a city-wide basis, thus eliminating changes resulting in a shifting share of growth from one industrial area to another over time.

EXHIBIT 9

Most Manufacturing Occurs In Designated Industrial Areas. Non-Manufacturing Industries Are Located In Non-Industrial Area As Well

% Of Total Employment In Each Sector Located In Industrial Areas

Sector	1989
Manufacturing	
Food Processing	79.9%
Textiles, Leather	79.6%
Metal Products	91.4%
Chemicals	89.8%
Clothing	77.3%
Furniture & Fixtures	87.0%
Machinery & Equipment	81.3%
Electrical Equipment	86.1%
Printing	38.4%
Postal Sorting Station	99.8%
Other Manufacturing	71.0%
Warehousing	39.0%
Storage	21.1%
Non-Manufacturing	
Photo & Graphics	60.2%
Data Processing	3.6%
Film/Video/Audio	39.6%
Radio/TV Stations	10.1%
Other Media	19.0%
Newspaper Publishing	44.4%
Other Publishing	9.4%
Transport Terminals	49.9%
Business Equipment	46.1%
Lumber Yards	70.4%
Wholesalers	55.0%
Auto Repair/Service	37.3%
Car Dealerships	13.8%
Car/Truck Rentals	19.2%

After the outlooks were presented, they were tested against various factors including number of firms created/lost per year and other forecasts in the Greater Toronto Area.

Outlooks have been prepared for industrial employment in the City's 19 industrial areas (fully described in the area profiles in Appendix C). While these industrial areas account for the vast majority of manufacturing employment throughout the City (Exhibit 9), a portion of employment in the non-manufacturing categories occurs outside these 19 industrial areas. This report focused on activity within these areas for several reasons:

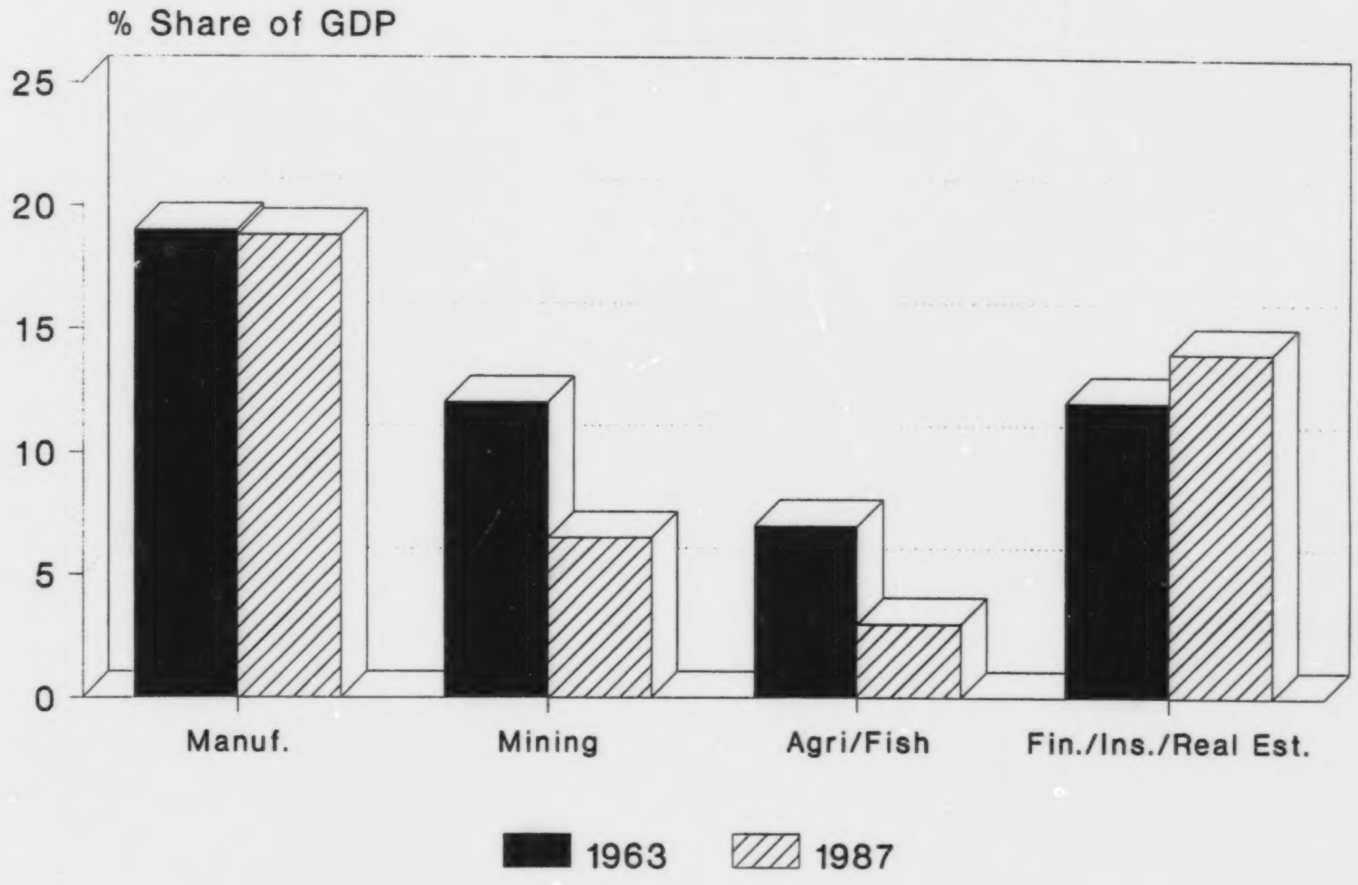
- The 19 industrial areas are the focus of the City's industrial land use policy considerations as part of the Official Plan review. These areas are based on Official Plan land use designations, Metro Employment data, and tax assessment blocks, and include all major industrial districts (the Junction, the Central Industrial District), as well as smaller areas (Dupont Street, Main-Gerrard).

- While employment may occur in industrial employment categories (especially the non-manufacturing sector) outside of industrial areas, much of it is not industrial in nature: i.e., non-industrial activities in non-industrial space. Examples include head office functions (the Famous Players offices on Bloor Street and the Cineplex Odeon facilities on Yonge - both of which are included in the film-video employment category) and sales/office functions (the IBM offices in the TD Centre, which employs over 1,000 people, is included in the data processing category).

- In other cases, there are smaller, yet still significant, differences between activities which share the same employment category as firms in industrial areas yet take place in office buildings and office areas. Under the data processing category, for example, firms in office areas tend to be more oriented to smaller word processing and computer sales firms, while industrial areas tend to see larger data centres, or more traditional data processing firms. The variety of firms in office buildings in office areas means that they have different growth trends and growth prospects and, as such, are not comparable with industrial uses in industrial areas in the same employment category.

EXHIBIT 10

Manufacturing Accounts For The Same Share Of Canada's GDP As It Did In 1963



Because of these factors, assessment of future trends in the 19 industrial areas is a valid means of assessing the general future of City industry and provides conclusions most relevant to the City's current industrial land use policy review. While outlooks have been prepared for employment in the industrial areas, our assessment has included consideration of possible future shifting of industrial employment from the City's non-industrial areas into the 19 industrial areas.

1. Manufacturing Employment Decline Will Taper Off

i) Emerging Trends

Manufacturing has undergone major changes in the past 20-30 years. These well documented changes have involved reductions in the workforce, rationalization of plants on a global, or North American scale and, in the case of the GTA, moves out of the City.

Though these changes have had dramatic effects, it cannot be assumed that the current health of the overall manufacturing sector is in jeopardy. Changes such as automation, which have resulted in reductions in the workforce, and changes in plant layout, which may necessitate moves out of the City, have left remaining industries highly efficient and competitive. For example, while the number of people employed in the manufacturing sector has declined since the 1960s in both the United States and Canada, this reduction in employment has often resulted in "leaner and meaner" firms. Overall, manufacturing accounts for the same share of Canadian GDP in 1987 as it did in 1963 (the figures are similar in the United States) (Exhibit 10). Manufacturing productivity continues to improve, rising in the United States by over 4% annually through the latter part of the 1980s. Our surveys confirm these results and show that many City manufacturing firms which had declines in the workforce through the 1970s and early 1980s currently regard themselves to be healthy.

In other cases, such as where employment in various manufacturing sectors in the City (e.g. food and beverage) has declined overall through the past decade, job loss has been due to firms' movement out of the City, rather than an overall decline in employment in each of the firms. For example, during the 1980s employment in major food and beverage firms that remained in the City grew marginally or remained stable, although employment in the entire sector declined.

Despite any past employment declines, manufacturing firms remain major employers (the average size of a food and beverage manufacturer is 75 employees). In 1989, manufacturing comprised over 37% of all industrial employment in the City's industrial areas.

Both survey results and discussions with key industry representatives show a general bullishness for the next 20 years and an overall reluctance to move from current City locations (due to a preference to maintain current employees, sunk capital, and the cost and difficulty of moving a major manufacturing facility). Many moves out of the City, if they were to take place, would be for macro economic reasons (foreign takeovers, plant rationalizations on a large scale) rather than smaller, more local reasons (preference or price advantage of a suburban location).

However, despite the bullishness of City manufacturers, no new major manufacturers (except for the City oriented industries discussed below) are expected to locate in the City due to the relative attractiveness of locations outside the City for the typical manufacturing firm. Thus, any growth in this category will be limited to existing firms and subject to the difficulties most firms would face in physically expanding their operation on cramped City sites.

ii) Past Employment Trends

Manufacturing employment in the City declined by over 5,500 employees from 1983 to 1989. This amounts to an annual loss of 4.6%. While there were fluctuations from year to year (the 1988-89 decline rate was marginally lower), annual losses typically ranged from 4-5%. This was in keeping with the longer term trend from the 1950s of 3.5% - 5% annually.

Survey of Traditional Manufacturing Industries

a. Food and Beverage

The food processing sector is the second largest industrial employer in industrial areas (following the fashion industry), employing over 6,000 people. A very high percentage of this activity (almost 80%) takes place in the

19 industrial areas. The average firm size is very large - over 75 employees - with the top ten firms employing over 5,000 people in total.

The decline in this sector during the study period has been due to firms' movement out of the City, rather than to employment declines within existing firms. With an increasing population base forecast, both in the GTA and in Southwestern Ontario, remaining food and beverage manufacturers should enjoy modest growth throughout the forecast period.

b. Other Manufacturing

The second largest traditional manufacturing sector is "other manufacturing". Typical firms include packing supply firms, optical manufacturing and jewellery manufacturing. Seventy percent of the City's employment in this sector occurs in industrial areas. Firms are somewhat smaller than food and beverage firms, with only nine firms employing more than 100 people. However, this category is very important, being the third largest industrial employer in industrial areas, employing in total over 5,000 people.

The nature of these firms' production varies widely; however, overall, this sector will perform in a similar way to the food and beverage sector, with some firms growing strongly due to a growing local population base and expanding national and international markets. In some cases, such growth may necessitate moves out of the City. In other cases, we would expect firms will be able to accommodate a certain level of growth in their existing facilities.

iii) Outlooks

Overall levels of manufacturing decline are expected to remain high during the next two years (at 4.0%), due to the slowdown in the general economy. We estimate that this rate will decline to an estimated 2.5-3.0% annually during the 1990s, and fall by a further amount (0.5%) by the turn of the century, reflecting the increasingly smaller manufacturing base. The outlook results in the following employment changes:

	1989-1991	1991-1996	1996-2001	2001-2006	2006-2011	Total
Annual Rate of Employment Change	-4.0%	-3.0%	-2.5%	-2.0%	-2.0%	
Change in Employment During Period	-1,360	-2,260	-1,630	-1,165	-1,050	-7,465

This outlook equates to an average loss of three to five firms yearly. In absolute terms, there would be a loss in industrial employment during the next 22 years of the same magnitude as that lost during the 1980s (approximately 8,000 employees). By 2011, the City's manufacturing category would stand at approximately 10,000 employees.

2. City Oriented Industries To See Modest Growth

i) Emerging Trends

This large group of firms (approximately as large as the traditional manufacturing sector) includes sectors which have a reason to locate in the City, specifically the fashion industry and the film/video industry.

While most firms are small to medium sized, there are some large firms (e.g., CBC) in this group. Due to their distinct nature, these large firms cannot be forecast by reference to typical factors (overall levels of economic growth, past employment trends).

In addition, there are many specific sub-sectors of these sectors, which have characteristics in common with the traditional manufacturing sector. For example, while the fashion industry as a whole is considered to be a City-oriented industry, there are sub-sectors (e.g., clothing manufacturing firms) that in their growth and locational habits will have characteristics more in common with traditional manufacturers. Similarly, in the other major employment sector - the film/video/audio sector - there are firms (e.g., bulk video tape production, warehousing, and distribution) whose locational preferences (proximity to highways) are very similar to traditional manufacturers.

Overall, however, City oriented firms are sensitive to the image of the area in which they locate and have a tendency to agglomerate in certain areas of the City due to linkages with suppliers and end users, as well as links to nearby support services.

ii) Past Employment Trends

From 1983-1989, overall growth in this sector was modest - less than 1% annually. Growth declined marginally from 1988-1989, reflecting the beginning of the slowdown in the overall economy.

Survey Of City Oriented Industries

a. The Fashion Sector

The clothing industry, including textiles and leather, is the largest industrial employer in the City. Though employment (both city-wide and in the industrial areas) declined during the 1980s due to the departure of some clothing manufacturers, many new firms have entered the field and/or grown dramatically, in sharp contrast to the traditional manufacturing sectors. Buildings have been constructed to provide space for this demand, including 555 Richmond, 111 Peter, and the Ontario Fashion Exhibitor's building. While the fashion industry as a whole is typified as a city oriented industry due to need for a city location for showroom, sample space, design space, specialty firms and contractors, and couturier space, the manufacturing components respond to many of the same pressures that affect traditional manufacturing industries.

b. Film-Video-Audio

This has been one of the fastest growing industry sectors, doubling in size between 1983 and 1989. Growth has come from both expansion of existing firm and the creation of new firms. Only about one-third of total City employment in this sector occurs in industrial areas. Generally, industry representatives report an over-expansion of facilities during the recent growth period, especially in the post production sector (e.g., film-video editing, sound, etc.). However, Toronto has appeared to establish itself as a major film-video-audio centre, a role which is expected to continue during the forecast period.

c. Radio And TV Stations

Only a small proportion of city-wide employment in this sector occurs in the industrial areas, with the majority occurring in the City TV building or the CBC. Agglomeration of these firms is strong in the King East and King West areas and future growth is expected come from expansion of the existing facilities, with the occasional new niche organization appearing.

d. Publishing And Newspaper Publishing

Less than 10% of city-wide employment in the publishing sector occurs in the industrial areas. The majority of these firms occupy office-type space in non-prime locations, exhibiting a need for central and accessible locations, but not for high-profile and high cost locations. With the provision of up-scale studio/office space in the industrial areas in the future and the eventual rent increases in the fringe office areas, the share of publishing employment in the industrial areas is likely to grow.

Newspaper publishing is highly depended on the big three Toronto newspapers. While the major newspapers may grow or shrink marginally in employment, it is expected that space need changes will generally be restricted to the existing site.

e. Green Industries

There have been several definitions set forth of what constitutes a green industry, often focusing on products ("green" products), the process of production, or the corporate philosophy. Generally speaking, firms which have "green" characteristics typically share locational patterns similar to other industries. For example, most of these firms will be guided by locational factors such as source of inputs, labour supply, transit, and the availability of suitable space. Some may, therefore, act in a similar fashion to traditional manufacturing industries (with a preference for non-city locations). Others may need city locations for proximity to the Port (recycling firms) or access to a particular type of labour force (technical, highly trained).

iii) Outlook

Overall stable to modest growth is expected over the study period, as growth and decline factors will balance in various industry sub-sectors. For example, while it is likely that manufacturing employment in the fashion industry will decline, repeating the past trends, there is likely to be contrasting growth in the design studio-showroom end of the industry, necessitating showroom type space, rather than manufacturing space. Employment losses from the more manufacturing component of this category are expected to be modest, amounting to approximately 100 employees annually throughout the study period.

An overall growth rate of 1% annually in the short term is suggested reflecting past trends and the good prospects for the industries in this category. This rate is expected to rise to 1.5% annually through the rest of the period, reflecting a stronger overall economy.

The outlook results in the following employment trends:

	1989-1991	1991-1996	1996-2001	2001-2006	2006-2011	Total
Annual Rate of Employment Change	1%	1.5%	1.5%	1.5%	1.5%	
Change in Employment During Period	345	1,355	1,460	1,575	1,695	6,430

These growth rates are modestly bullish. They approximate Hemson's labour force growth outlooks throughout the GTA from 1991-2011 (1.5% annually), and slightly exceed Ontario Hydro's estimates for growth in the Ontario labour force (1.5% to 2000, 0.7% to the year 2010).

3. Industries Serving The Service Sector To See Strongest Growth

i) Emerging Trends

The third group, industries serving the service sector, are generally very small (most are under ten person firms) and highly cyclical. Of all the groups, it has experienced the highest overall growth rate. However, these firms are very sensitive to the strength of the overall economy. The ease of entrance into some of these fields (e.g., photography and graphics) will encourage some individuals to leave their current employer and "set up shop" during generally strong economic times. However, many of these same firms are likely to disappear in an economic slowdown (as was often the case in the 1982-83 period).

ii) Past Employment Trends

Growth during the economically strong 1983-89 period averaged a very healthy 3.5% annually. Growth, however, was very slow during the 1988-89 period, reflecting the beginnings of the current economic slowdown.

Survey Of Industries Serving The Service Sector

a. Photo and Graphics

This industry sector is characterized by very small (average firm size under four employees), high growth firms. The industry is highly cyclical with many freelance and small firms emerging during strong economic times and disappearing during economic slowdowns. As a business serving the service sector, location is very important, with 65% of graphics firms being located in areas adjacent to Financial Core and Fringe Core clients. The outlook for this sector is good and is tied to the overall growth in the office sector that they serve, as well as the overall Metro Toronto employment and population base.

b. Data Processors

Data processing firms are generally at two extremes in terms of size: very small data processing firms (under eight employees) and large data centres, with the majority of large data centres locating in Core and Fringe Core locations. Smaller data centres will continue to find city locations important in order to serve their business clients. While large data centres need locations which are accessible to employees and meet their security requirements, many of these needs are currently being met by locations well outside the City. In the future, this trend is expected to continue with larger data centres moving farther from the Greater Toronto Area, perhaps locating in very small population centres (5,000 to 10,000 people), repeating a pattern which is currently emerging in the United States.

c. Printing

The printing sector has continued to decline due to changes in technology requiring fewer employees, as well as the internalization (desktop publishing) of many printing requirements by small to medium sized firms. Only modest growth is seen for this industry sector.

d. Other Media

These industries serving the service sector are typically advertising firms, computer graphics firms, and public relations firms. They constitute a relatively small, but healthy, employment base and are closely tied to the health of the overall economy and the firms that they serve in the general downtown area.

iii) Outlook

Growth in this sector is expected to be the strongest in all three categories, but is strongly tied to growth in the sectors that these industries serve (office manufacturing, retail, etc.).

While growth will slow during the short term (1989-91 period), it will rise and continue to keep pace with the forecasted growth and cyclicality in the economy for the Toronto Area.

This outlook results in the following employment trends:

	1989-1991	1991-1996	1996-2001	2001-2006	2006-2011	Total
Annual Rate of Employment Change	1.5%	3.5%	3.0%	2.5%	2.5%	
Change in Employment During Period	370	2,370	2,390	2,280	2,580	9,990

The growth rates applied to this group are reasonably bullish, resulting from the strong growth prospects for this category. They result in almost 10,000 new employees by 2011, or approximately 50 firms annually. This effectively doubles the 1983 base. They exceed the growth in office space in the Financial Core in the next ten years (2.0% annually) and outpace Ontario Hydro's outlooks for the growth in Ontario's GDP (3.2% annually to 2000, 2.2% annually to the year 2010). The major reason for this is the gain in share of total city-wide employment in this group that is expected to take place in the industrial areas. Currently, as was shown in Exhibit 9, a larger percentage of employment in industries serving the service sector occurs outside the industrial areas. For example, only 40% of employment in the film/video sector occurs in industrial areas. While much of this employment in other areas is accounted for by head office type functions (e.g. Cineplex and Famous Players offices) unlikely to relocate to industrial areas, some of the remaining employment is similar both in nature and in built form requirements to that in industrial areas. Therefore, it is likely that a shift could occur from non industrial to industrial areas resulting from:

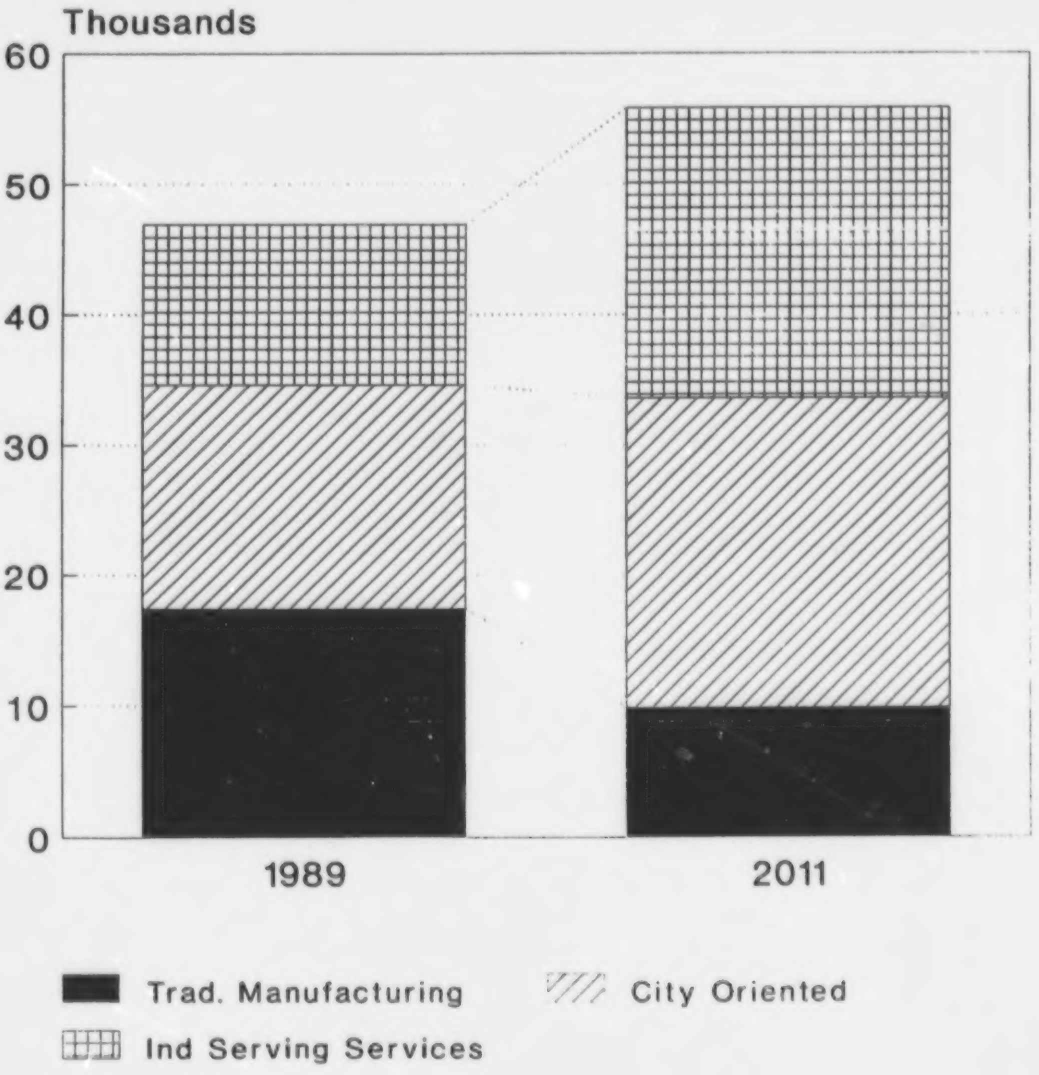
- Availability of space in industrial areas at any given time (supply of new or newly renovated space in industrial areas creating a demand)

- More attractive prices - compared to non-industrial areas

- Agglomeration economics - increasing the attractiveness of some industrial areas for certain types of firms (King-Spadina for fashion, Queen-John for film/video)

EXHIBIT 11

Total Industrial Employment In Industrial Areas Will Rise To 56,000 By 2011



While a shift in employment from non-industrial to industrial areas in the City will not increase employment city-wide in any category, it will create an increased demand for new space in the 19 industrial areas.

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Exhibit 11 (the overall results of these outlooks) shows total industrial employment in the industrial areas rising to almost 56,000 by the year 2011.

IV POTENTIAL SUPPLY OF NEW INDUSTRIAL SPACE TOTALS ABOUT 17 MILLION SQ. FT.

The potential supply of industrial space over the study period was estimated and broken down into four categories: projects that are under construction or planned, vacant sites, sites with a non-economic use at a low existing coverage, and sites with buildings not yet renovated. This estimate, prepared very conservatively, yielded almost 17 million square feet of potential space that could be built in the City's industrial areas.

A. SUPPLY OUTLOOKS WERE BASED ON BUILDING AND SPACE REQUIREMENTS AND DEVELOPMENT ECONOMICS

The analysis of potential developable space during the forecast period examined building and space requirements of City industries as well as the development economics of building industrial space. A site-by-site analysis of the 19 industrial areas was undertaken to identify specific potential development sites.

1. The Majority Of Industrial Users Which Will Be Growing Over The Study Period Can Occupy Space In Multi-Storey Buildings

Both the City Oriented and Industries Serving the Service Sector groups were examined in terms of their built space requirements. It was determined that, by and large, these industries (unlike traditional manufacturing industries) can occupy space in multi-storey buildings and in many cases do so. Many uses which have been typically thought of as single storey industrial uses (e.g., film and TV studio), do have successful multi-storey precedents in the City (e.g., the new CBC complex and the City TV building). This ability to occupy multi-storey space leads to a more intense use of land, generally resulting in a smaller amount of land needed to accommodate growth in employment.

2. Site By Site Analysis Identified Potential Development Sites

A meeting was held with the City's local area planners to determine potential developable space through both renovation and conversions and new construction. Where necessary, this was supplemented by individual meetings with planners, in order to examine smaller site areas.

In addition, the 19 industrial areas were examined on a site-by-site basis through:

- examination of property data maps to determine site and building characteristics,
- analysis of air photos to assess past changes in land use,
- on-site visits to each of the 19 areas to analyze current uses, and
- analysis of assessment roll data, where necessary, to determine property ownership.

3. New Industrial Space Can Be Produced To Meet Demand

The economic feasibility of converting older manufacturing-industrial buildings to studio-type space has been well demonstrated in the last ten years. The cost of purchasing the property, plus the necessary renovation and developments costs, can generally be covered by the market rents to produce an acceptable rate of return. This type of development has been most successful in the case of larger buildings or a complex of buildings, where a distinctive image can be created and in which premium rent levels can be achieved. In the case of smaller buildings, such an image is more difficult to achieve, which usually results in a project with a lower level of finishes and lower rent levels.

Newly constructed industrial space has been less common. While there is a precedent of new, highly finished, multi-storey industrial buildings being built, these buildings have generally been restricted to one type of user (fashion) and one area (King-Spadina). There is also a precedent for lower density new industrial buildings (such as Jefferson Square in the King-Dufferin area). However, throughout the study period, it is anticipated that the economics of this new type of development, will broaden to other areas as demand for good quality industrial space grows. This is expected to occur as the supply of older buildings for renovation diminishes and rent levels gradually rise to reflect the costs of developing new buildings. Therefore, over time, it will be feasible for industrial space (either new or renovated) to be created in the industrial areas to meet the demand.

B. POTENTIAL DEVELOPMENT SITES ARE AVAILABLE IN INDUSTRIAL AREAS

The 19 City industrial areas were examined on a site-by-site basis to determine potential development sites which would be available to meet the space needs of new and relocating firms. This examination was undertaken in two parts:

1. Calculation Of Space Available In Known Projects Or Areas

Projects supplying industrial space that are either under construction or planned (i.e., having had discussions with area planners, or commencing pre-leasing activities) were identified. Both the space totals and timing of the projects were noted.

In addition, areas which have specific potential were noted:

- King Business Centre (Massey-Ferguson lands) which has zoning in place for a substantial industrial component (development has begun),
- The Ataratiri neighbourhood which has a goal of industrial job replacement (development studies now underway).

2. Calculation Of Potential Developable Sites

The 19 industrial areas were examined on a site-by-site basis through area inspection, map or air photo references to determine three types of sites for potential future development:

i) **Vacant Sites** - sites that are presently vacant (mostly used as surface parking lots), which do not have any above-ground parking structures. Parking lots of surrounding industries were not included. Lots in the area surrounding Skydome (south of King Street) were also not included. Very small parking lots (under 5,000 sq. ft.) were not included due to the difficulty of developing such a small site profitably.

ii) **Sites with a non-economic use under 1x coverage** - these sites, typically smaller than vacant sites, would usually contain a one- to two-storey industrial building in disrepair (often boarded up), which currently contains no viable economic use. Sites that were developed at a low coverage but which had any type of business activity (e.g., autobody) were not included.

iii) **Sites with buildings not yet renovated** to studio-type uses and which presently contain marginal economic uses. Buildings were typically four- to six-storey buildings in a good state of repair, often surrounded by renovated multi-storey studio-type buildings, which could be renovated to appeal to studio-type users.

3. A Conservative Accounting Of Potential Supply Was Mandatory

The analysis of potential space supply examined only those sites which were the most likely to be developed over the study period. Following this conservative approach, the following sites for potential future development were not included in the analysis of potential supply:

- Industrial areas currently under study by the Planning and Development Department (Fleet Street, East Bayfront) were not included since the studies may recommend non-industrial uses

- While the 1,000 acre Port area is seen as critical to the future of City industry, it is not included in this calculation (but is dealt with later) due to its large size and particular physical characteristics

- Space occupied by traditional manufacturing firms (either large or small), which have announced plant closures is not included since these buildings are often difficult to renovate and are in isolated locations - both factors questioning their continued industrial use.

- Sites currently designated industrial but proposed by the owner to be redesignated as residential.

Inclusion of any of the above sites would increase the supply of available sites dramatically.

C. MOST LIKELY DENSITY FOR NEW BUILDINGS, NOT ALLOWABLE COVERAGE, DETERMINES A POTENTIAL SUPPLY OF ABOUT 17 MILLION SQUARE FEET

In order to determine potential development space, non-residential densities (i.e., the mass or bulk of a building) were applied to the potential development site areas identified above. Densities were calculated as the most likely density that new buildings would achieve, were based on surrounding area densities, not zoned densities, and varied by area. In all cases, in order to maintain a conservative accounting, densities calculated were far below what is currently allowed under area zoning. With the exception of King-Spadina, these densities ranged between 1.0 and 4.0 times lot coverage. As shown above, there is precedent in the City for new industrial development both at the lower (1.0x coverage) and higher densities. For sites currently containing buildings which have not yet been renovated, potential development space was limited to the existing built form, with no additions in density.

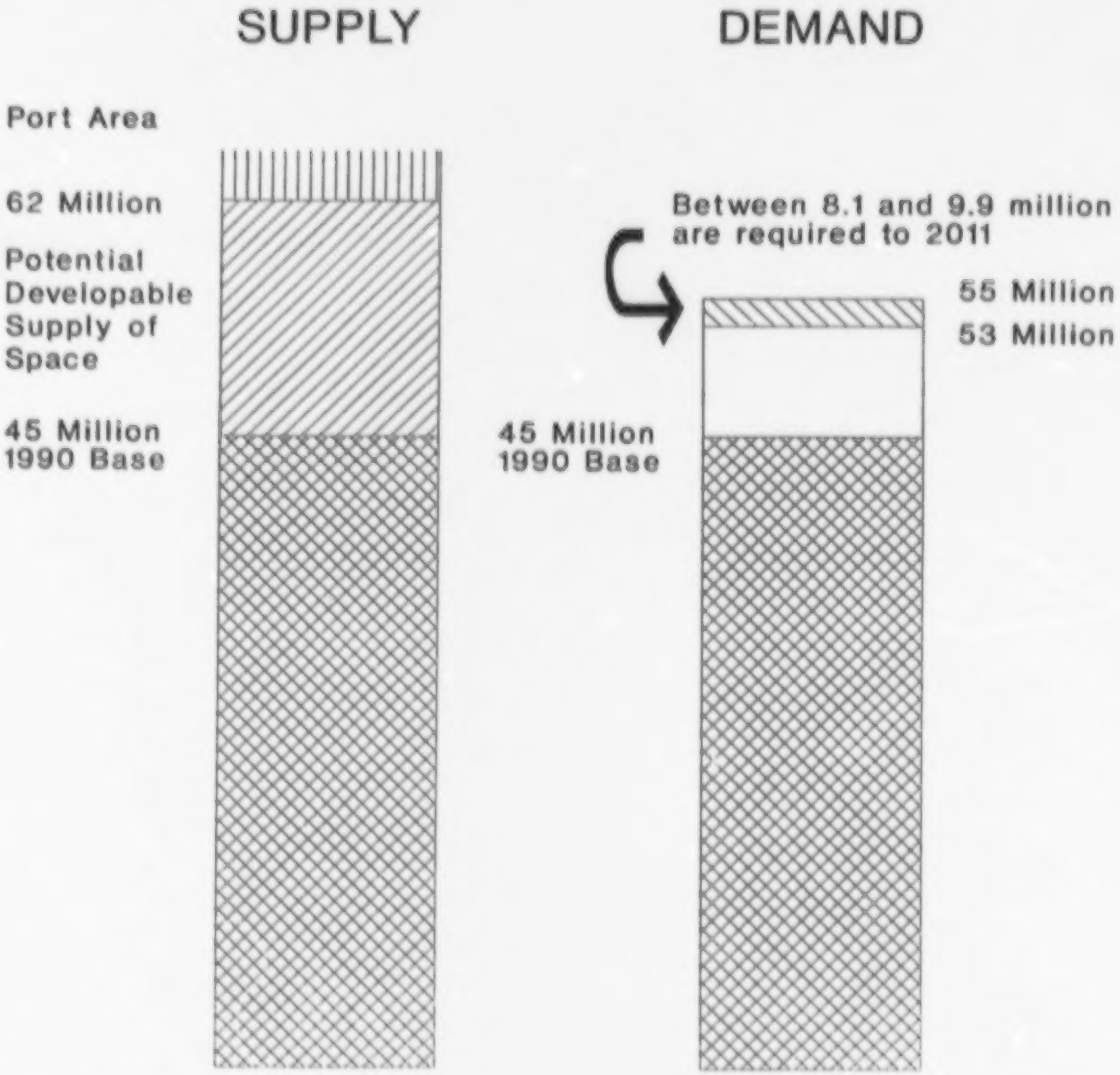
* * * * * *

From this analysis, a total potential developable supply of space of 16.7 million (about 17 million) square feet emerges.

EXHIBIT 12

INDUSTRIAL SUPPLY & DEMAND OUTLOOK TO 2011

(Square Feet)



•Note: Supply numbers do not include East Bayfront (114 ac), Fleet St. (47 ac); Space additions resulting from use of buildings vacated by departing manufacturing industries.

V WITH NO REDESIGNATION, THERE IS MORE THAN ADEQUATE LAND SUPPLY, HOWEVER, EXCESS SUPPLY IS NECESSARY TO ALLOW NECESSARY SPACE CHOICES FOR INDUSTRY

Outlooks were prepared for the demand for industrial space over the next 22-year period and the potential supply of space that could be developed in the industrial areas. Demand for industrial space is expected to total about 8-10 million sq. ft. overall, which can be easily met by a potential supply of about 17 million sq. ft. However, the situation is not as simple as the numbers would suggest, since a full range of space choices (type of space, price, location) needs to be available throughout the twenty-two year period in order to meet the anticipated demand.

A. DEMAND IS EXPECTED TO RANGE BETWEEN 8 AND 10 MILLION SQUARE FEET OF INDUSTRIAL SPACE

The employment outlooks for the three industrial sectors are shown on the following page. These outlooks produce a space demand from 16,420 new industrial employees[6].

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[6] *Following the conservative approach to estimating potential supply, the vacant space resulting from the departure of 7,465 manufacturing employees is not, for purposes of this study, assumed to be re-used for industrial purposes. Most of these traditional manufacturing industries occupy purpose built space, many in relatively isolated locations, which would involve demolition and rebuilding if it were to be used for new industrial uses. Thus, it is questionable that these sites would have continued industrial use.*

EXHIBIT 13

Sample Floor Space Per Worker Ratios

Renovated Buildings			**Sq.ft./employee**
295	Queen West/City TV		570
312	Adelaide Street West - Manufacturers Buildings		550
119	Spadina Avenue - Balfour Building		655
388	King Street West		452
1179	King Street West		420
111	Peter Street		507
264	Seaton Street		295
		Average	492
Unrenovated Buildings			
258	Carlaw		639
19	Duncan Street		753
379	Adelaide Street		721
96	Spadina		505
116	Spadina		527
		Average	629
New Buildings			
64	Jefferson Avenue- Jefferson Square		506
720	King Street West		525
555	Richmond Street		440
		Average	490

Source: Calculated by Hemson Consulting Ltd. based on City Land Use File Data, Metro Employment Data and Municipal Assessment Data

Total Employment Change	
Traditional Manufacturing Industries	-7,465
City Oriented Industries	+6,430
Industries Servicing The Service Sector	+9,990

To translate this employment total into space demand, an examination was made of current FSW (Floor Space per Worker) ratios. A sample of over 2.5 million square feet of renovated, unrenovated and new industrial buildings was used. As shown in Exhibit 13, both renovated and new industrial buildings had FSW's of approximately 500 sq. ft. To this FSW ratio, a vacancy factor of 10% (based on historic rates) was added. The final total was then subject to a high/low range of ± 10%.

Following this approach, the outlook for future space demand is calculated:

16,420	x	500	+10%		±10% =	8.1-9.9 million sq. ft.
Forecast Employment	x	FSW	+	Vacancy Ratio	±	High/Low Range

This demand totals between 8 - 10 million sq. ft. of industrial space in the 19 industrial areas. There will be an additional minor demand for space from non-industrial uses (retail, office) which are allowed under the zoning to occupy space in these industrial areas. This demand will be minor, given current zoning policies. For calculation purposes, it can be easily accounted for by space currently designated for office or retail uses in projects planned or under construction in the 19 industrial areas, or from the potential supply of space that has not been included in the supply calculation (i.e., space resulting from the departure of manufacturers, space in the Port, etc.). Therefore, demand from the limited number of non-industrial uses will be accounted for by this additional supply of space, and will not add to the demand of 8 - 10 million sq. ft. space for industrial users[7]

B. SUPPLY WILL EASILY BE ABLE TO MEET DEMAND BUT CHOICE NEEDS TO BE AVAILABLE

Using our very conservative estimates, we calculate the potential supply of industrial space to be about 17 million sq. ft. In addition to this, there is the enormous potential of the 1,000 acre Port area. Even if only half of this area was redeveloped in the next 20 years (at 0.5 to 1.0 times coverage), about 10 to 20 million square feet of space would be created. Outside the Port area, all of the potential 17 million sq. feet space will not be developed over the 22 year forecast period. Rather, supply will tend to balance demand (8 - 10 million sq. ft.) [refer to Exhibit 12 opposite page 46]. Thus, of the total potential developable supply outside the Port area, approximately one-half is likely to be developed during the forecast period. At 400,000 sq. ft. annually, this supply of space mirrors industrial space absorption trends apparent in the City during the past five years.

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[7] *Presently, "other" employment (retail, institutional, service, and office) can account for over 50% of the total employment in some of the 19 industrial areas. The majority of these uses predate the current zoning by-law or are presently located on non-industrial sites which were included in the assessment blocks used as the data source. Additional demand from non-industrial uses will be much less since it will be restricted to those uses allowed in the industrial zoning.*

While there is more than a sufficient supply of space to meet the expected 22-year demand, it would be a mistake to rely only on this when assessing the actual space needs of industry for the following reasons:

1. Choice Must Be Maintained

A wide range of space needs to be available at all times to allow the space choices necessary for a well functioning marketplace. By offering a full range of space (new or renovated) at various price ranges in the 19 industrial areas, any firm looking for a particular type of space at any one time is more likely to find it. If supply of space was tightly tied to anticipated demand, short-term shortages of some types of space could easily be created.

2. The City Must Plan For The Future Beyond 2011

While the 22-year study period is a long one, there is every reason to believe that demand for industrial space will continue past the year 2011. Allowances must be made for these future needs. Since basic land economics dictate that non-industrial land cannot be converted to an industrial use, the City has a finite supply of industrial land and must plan for the very long term.

VI IMPACT OF REDESIGNATING VACANT AND UNDER-UTILIZED LAND COULD BE SIGNIFICANT

The second theoretical scenario of the study assumes that vacant and/or under-utilized industrial land and lands occupied by industries that have announced recent plant closures (outside of the Port, Stockyards, Niagara-Parkdale, South of Eastern, King-Spadina, King-Parliament, and Perth-Sterling) will be redesignated to allow residential development. Under this scenario, there would still be a sufficient supply of space to meet demand, although space choices would be limited. However, the redesignation would affect approximately 15,000 employees who are currently in these areas. Manufacturing industries in these areas (representing over 40% of the City's total) would be affected the most, with over 90% of the employment in this category expected to disappear throughout the study period.

A. UNDER THE REDESIGNATION, WHILE UNDERLYING GROWTH FORCES REMAIN THE SAME, EMPLOYMENT LEVELS IN REDESIGNATED AREAS WILL BE SERIOUSLY AFFECTED

The growth or decline (demand) factors affecting industries, detailed in Section III, will continue to influence industries under the study's second scenario. However, in the areas where certain sites would be redesignated, the resulting reduction in potential space supply and the reaction of the industries therein will impact the forecasted employment growth. For example, while the City Oriented sector in these redesignated areas will be expected to grow at the same rate as described in the previous section, the impact of the redesignations will mean that firms may either (a) stay and expand at their present sites, (b) relocate to other

City industrial areas, or (c) leave the City altogether. In the case of manufacturing firms, their incompatibility with housing will mean that nearby redesignations will tend to speed up a firm's decision to move out of the City or shut down.

The specific impact of such redesignation is described in the following sections.

1. Redesignation Reduces Potential Supply By 4.5 Million Square Feet

The redesignation of land under Scenario B would reduce the potential developable supply of industrial space to 12½ million square feet from 17 million. This supply would still be sufficient to meet forecasted demand for industrial space during the study period (8 to 10 million sq. ft.). The addition of the Port area could also increase this supply. However, the loss of over 4 million square feet of potential space will have an effect of limiting choices for industries, particularly in terms of finding suitable space in existing buildings. The demand for space is somewhat elastic, since any reduction in the potential supply of land or buildings will increase the likelihood of a firm not finding suitable space and, as a result, not locating in the City. While over the entire outlook period, city-wide supply of space will meet demand, it is highly conceivable that shortages of appropriate space could occur in certain areas over small periods of time (one to two years). This reduced choice would limit demand in two ways: lack of suitable available supply would limit demand by lowering the level of firm movement (for some firms) out of office-commercial areas into the industrial districts; and, secondly, reduced choice will increase the likelihood of some new and expanding firms choosing non-city locations.

2. "Redesignated" Sites Would Be Developed For Residential Purposes

The reduction of the potential supply of industrial space occurs because those sites which are "released" (i.e., sites redesignated for residential uses) would all eventually be developed for residential purposes. This is generally the case, due to the relatively high demand for housing (especially the types of mid-market, affordable, and co-op units likely to be built on these sites) and the higher investment return on residential development. There will, however, be limited instances of landowners converting an existing industrial building into studio uses rather than clearing the site and developing a small, full-scale residential project.

Also, existing industrial leases provide a steady cash flow which will result in some landowners delaying housing redevelopment until the leases expire. These factors, however, only affect the timing of housing redevelopment on the redesignated sites. Eventually all of the sites would be redeveloped over the 22-year study period.

3. 'Patchwork' Redesignation Would Affect Total Area, Particularly Manufacturing Firms

The redesignation pattern defined by Scenario B would see a 'patchwork' of planning permissions in the 12 identified areas (see Exhibit 2, opposite page 4) whereby sites occupied by viable industries would remain designated for industrial use and the remaining sites designated for housing. This patchwork would be quite "fine grained" given the current pattern of land uses in the 12 areas.

Comments from the industrial firms interviewed and surveyed indicated that they did not consider their use compatible with housing. This was particularly true in the case of the Traditional Manufacturing group and any firms in the other two groups which have operations that would cause complaints from neighbouring residents (noisy, heavy truck traffic, etc.). Given this basic incompatibility with housing, the patchwork redesignation would affect the industries in these areas even though their own property would remain designated for industrial use. While some firms may be affected immediately (manufacturers and those already contemplating a move), the 22-year study period is long enough that eventually location plans of all of the industrial firms would be affected.

4. Redesignation Could Cost The City Up To 10,000 Employees Over 22 Years

The twelve industrial areas that would be affected by the redesignation scenario presently contain over 15,000 employees (a detailed breakdown by area is included in Appendix F).

	# Of Employees In Affected Areas	# of Total Employment In City
Traditional Manufacturers	7,443	43%
City Oriented	3,298	19%
Industries Servicing Service Sector	4,612	38%
	15,353	

While these twelve areas contain just under one-third of the total industrial employment in City industrial areas, they contain an over-representation of the City's manufacturing industries (48% of employment in the affected areas is manufacturing compared to 37% in all the industrial areas). These manufacturing industries will be affected more than the other two industry groups due to their non-compatibility with housing and the fact that a number of the firms are, even without the redesignations, anticipated to decline.

EXHIBIT 14

The Redesignation Of Land Will Place Employees In The Affected Areas At Risk

	Manufacturing		City Oriented		Industries Serving The Services Sector	
1989	7,440		3,300		4,600	
	930	6,510	1,200	2,100	1,670	2,930
	Stay	Leave	Stay	Leave	Stay	Leave
	Will Shrink To		Will Grow To	Relocate And Grow	Will Grow To	Relocate And Grow
	720		1,390	1,220	2,240	1,970
	Total		Total		Total	
	720		2,610		4,210	

a) Effects Of Redesignations On Employment

The following assesses the likely impact of the redesignations, recognizing the uneven impact that is likely among the three industry groups:

- Of the current 726 acres in the 12 areas, an estimated two-thirds (550 acres) would be redesignated for residential uses[8] under Theoretical Scenario B.

- While all industrial firms in the redesignated areas will be affected, manufacturing firms will feel a greater impact resulting, in our opinion, in manufacturing employment declining in these areas at twice the rate[9] of the employment decline in the other two groups.

- Industrial firms impacted will either leave the City, shrink their employment level, relocate to a City industrial area not affected by the redesignations or go out of business.

- All the manufacturing firms leaving the redesignated areas are assumed to fold or leave the City. Half of the employment in the firms in the City Oriented or Industries Serving the Service Sector group leaving the redesignated areas will, in our opinion, relocate to another industrial area in the City[10].

The results of this analysis are shown on the facing page. In the 12 areas affected by the redesignations, the manufacturing category would shrink to 930 employees, due to the departure of just over 6,500 employees. This employment would continue to decline (for the reasons already cited, unrelated to the redesignation of land) to just over 700 employees by the year 2011. The City Oriented group would shrink to just over 2,600

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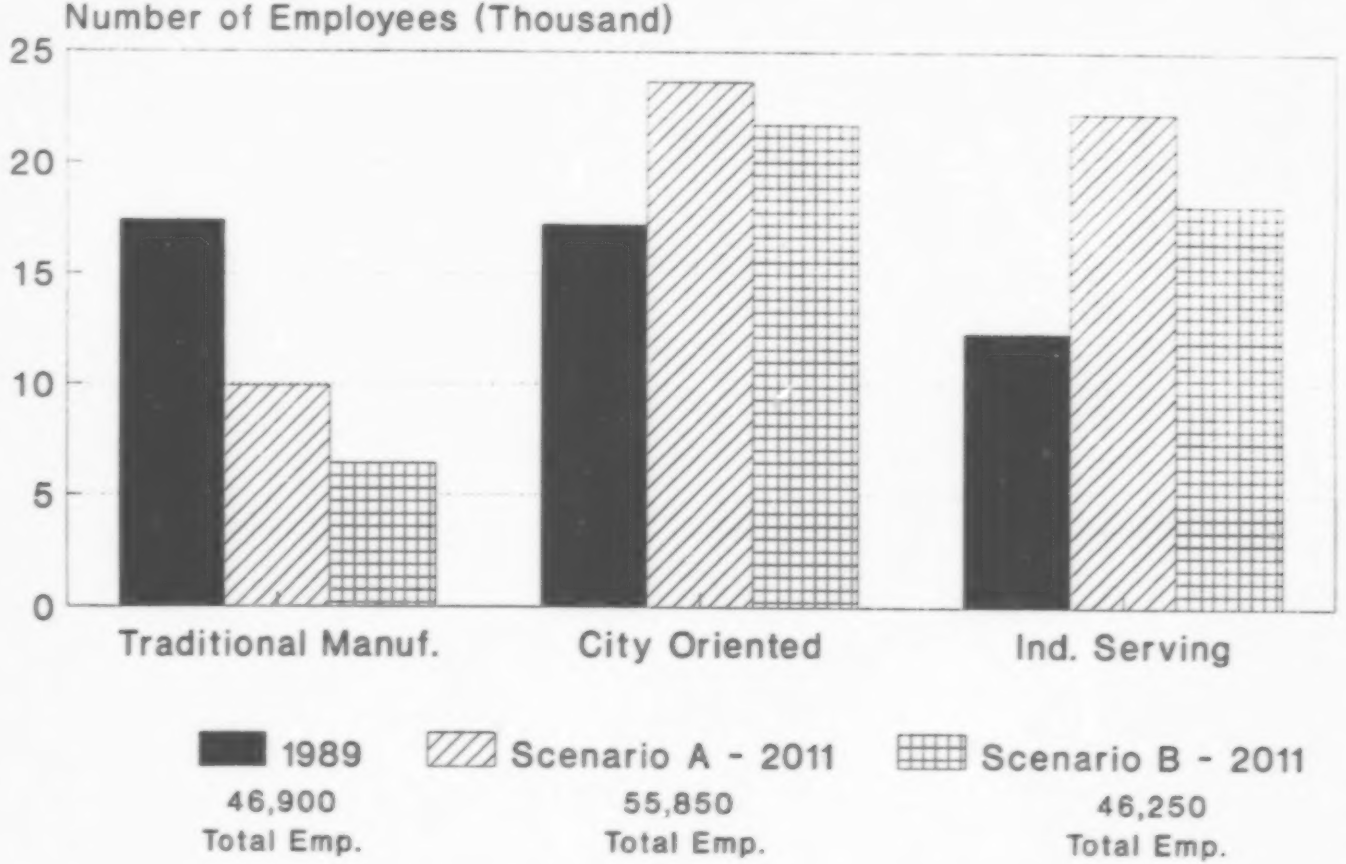
[8] *The 550 acre estimate was provided by the Planning and Development Department.*

[9] *Manufacturing employment would decline at an annual rate of 9%, with the other two categories declining at an annual rate of 4.5%. At these rates, total employment will equal 3,800 employees at the end of the 22-year period, or an approximate 76% decline from 1989 totals.*

[10] *Relocating firms will continue to grow at the rates forecast previously.*

EXHIBIT 15

The Redesignation Of Land Will Reduce Industrial Employment In Industrial Areas By About 10,000 Employees



employees, while the Industries Serving the Service Sector group would drop to approximately 4,200 employees.

5. Redesignation In These Areas Will Reduce City-Wide Industrial Employment In Industrial Areas By Almost 10,000 Employees

As shown in the facing exhibit, under Scenario A (no redesignation) overall industrial employment in the industrial areas will grow to almost 56,000 in 2011 from the current total of almost 47,000. Under Scenario B (redesignation is some areas) total industrial employment in all the areas will be just over 46,000 by the end of the study period, a reduction of approximately 10,000 jobs.

VII STUDY CONCLUDES OUTLOOK FOR CITY INDUSTRY IS GOOD BUT CITY'S FUTURE ACTIONS WILL BE CRITICAL

The City of Toronto is reviewing its Official Plan including its industrial policies. As part of this review, this study provides a future employment outlook for City industry and assesses the implications of the City redesignating significant amounts of industrial land for housing.

This section summarizes the results of the study's analysis and concludes with comments on how the City should consider the question of redesignation and the actions it can take to strengthen City industry.

A. CITY OF TORONTO'S INDUSTRIAL BASE IS UNIQUE, MADE UP OF THREE BASIC GROUPS OF INDUSTRY

The period of the late 1950s to the late 1970s saw a major decline in the City's manufacturing base - approximately 50% of the initial manufacturing employment was lost. In the 1980s, however, industrial employment levels stabilized, with the continued decline in the manufacturing employment being offset by increases in non-manufacturing employment.

As a result of this long period of change, the City now has a unique industrial base, which reflects the fundamental restructuring of industry that has occurred since the 1950s.

EXHIBIT 16

CITY INDUSTRY FALL INTO THREE KEY GROUPS

1. Traditional Manufacturing Industries
(Food & Beverage, Other Manufacturers)

- 37% Of Industrial Employment In Industrial Areas
- A Small Number Of Large Firms
- Located In City For Historic Reasons
- Occupy Older Purpose Built Structures
- Not Compatible With Residential

2. City Oriented Industries
(Fashion, Film/Video/Audio)

- 37% Of Industrial Employment In Industrial Areas
- Small - Medium Sized Firms
- Have A Reason To Located In The City
- Strong Linkages To Other Industrial Firms In The City
- Can Occupy Space In Multi-Storey Buildings

3. Industries Serving The Service Sector
(Photography, Graphics, Data Processing)

- 26% Of Industrial Employment In Industrial Areas
- Very Small Firms Which Provide Services To Businesses & Consumers
- Strong Linkages To Local Market
- Can Occupy Space In Multi-Storey Buildings

This industrial base cannot be viewed in a traditional industrial planning and development way. For example, single storey industrial buildings with lower rental levels, which are in abundant supply in suburban industrial areas, have already had their impact on the City's industries. While some City firms or parts of firms will continue to be attracted to this type of location, it is no longer the critical factor for the future of City industry. City industries now require a very different type of building space. In fact, the last ten years has seen the development of studio industrial space in renovated buildings and some new industrial buildings being built to serve the fashion industry.

Three groups of City industries have been defined (as shown in the facing Exhibit):

> **Traditional Manufacturing Firms** employ 17,400 people and are located in the City for historic reasons. With national and provincial linkages, a City location provides no particular market advantage, and may be a disadvantage for some firms. Inertia tends to keep these firms located in the City. They are definitely not compatible with housing, but can co-exist with the newer non-manufacturing uses.

> **City Oriented Firms** are small and medium sized firms employing 17,230 people. They are strongly linked to other firms in their sector and tend to agglomerate in City locations. Some elements of these sectors have characteristics of the other two groups (manufacturing, industries serving the service sector). Firms typically occupy multi-storey space and are compatible with other industrial uses.

> **Industries Serving The Service Sectors** are very small firms employing 12,272 people. They are highly cyclical: dependent on the general health of the economy. The strong linkages to other firms and to individuals demand a City location. They occupy multi-storey space, are compatible with a range of uses, and are not sensitive to City policies and programs.

All three of these groups are different from typical industry. The Traditional Manufacturers are in the City for historic reasons and would likely not choose their present location today. The City Oriented industries are specific parts of a few industrial sectors that can operate in, and actually prefer, an urban environment. Finally, the Industries Serving The Service Sector group are simply responding to the business opportunity created by Toronto's concentration of service firms and people.

Interviews with representatives of City industries indicated that, by and large, they are compatible with each other. The manufacturers found no problems being located next to the newer non-manufacturing firms and felt these types of firms should be permitted as-of-right in industrial areas since they are a source of new investment and vitality for the areas.

B. FUTURE EMPLOYMENT OUTLOOK IS OPTIMISTIC: ABUNDANT INDUSTRIAL LAND SUPPLY AVAILABLE

The fundamental change in the City's industrial base is the main reason for the relatively optimistic outlook for future industrial employment levels. The outlook, prepared on a City-wide basis for the industrial areas only, suggests continued, though more moderate, employment decline in traditional manufacturing industries, with moderate to medium growth levels in the other two groups. A part of this growth will come from a shift in employment in some categories from non-industrial to industrial areas in the City, due to the availability of space in industrial areas, more attractive prices, and agglomeration economics creating distinct areas ("The Fashion District", "The Entertainment District").

1. Demand For Space Between 8 - 10 Million Square Feet Under Scenario A

The employment outlooks produce demand from 16,420 new industrial employees for space. This translates to between 8 - 10 million square feet of space.

2. Potential Supply Is 17 Million Feet

A conservative accounting for potential development sites in industrial areas yielded a potential supply of approximately 17 million square feet. This conservative approach did not include areas under study by the Planning and Development Department, the 1,000 acre Port area, or space vacated by traditional manufacturing firms, any of which can dramatically increase potential supply.

3. However, Supply And Demand Cannot Be Simply Compared

While there is more than sufficient supply to meet the expected demand, a wide range of space needs to be available in terms of different types of areas, location and price of building space, stock of existing buildings, and specialized functions of particular areas such as the Fashion District and the Stockyard area to ensure a full range of choices necessary for a well functioning market place.

C. REDESIGNATION FOR HOUSING (SCENARIO B) HAS POTENTIAL SERIOUS IMPLICATIONS

With few exceptions, housing and industry are not compatible land uses. As a result, the redesignation of land for housing will inevitably have a significant impact on industrial firms.

Land development economics suggests that there will be continued strong pressure from land owners to transform industrial areas to housing since there is a potential large increase in value. Such transformation is also extremely tempting to public policy makers since their size, low price, and relative isolation from established neighbourhoods, means that these lands represent a huge potential for implementing public housing objectives, particularly with respect to the development of new affordable housing neighbourhoods.

The study assessed the impact of redesignating only vacant and/or under-utilized lands and lands occupied by departing industries in 12 of the City's 19 industrial areas. Under this theoretical scenario, the industrial sites presently occupied by viable industries in these 12 areas would remain designated as industrial.

1. 'Patchwork' Redesignation Would Affect Total Area

Industries interviewed during the study, particularly the manufacturers, stressed that their use was incompatible with housing. Given this, the 'patchwork' redesignation of only vacant and other sites would affect the industries throughout these areas even though their own properties would remain designated for industry.

2. Redesignation Would Affect 15,000 Employees

The redesignation scenario would place at risk the over 15,000 employees who are currently in the 12 areas subject to redesignation. Particularly at risk would be the manufacturing firms, which are disproportionately represented in these areas (48% of the employment in the affected areas is manufacturing compared to 37% in all the City's industrial areas).

3. Redesignation Would Reduce Industrial Employment By An Estimated 10,000 Employees

Under the scenario of land redesignation, industrial employment can be expected to fall by approximately 10,000 employees: the Traditional Manufacturing category declining by 3,500 employees, and the City Oriented and Industries Serving the Service Sector declining by a total of 6,500 employees.

D. DIFFICULT CHOICES FOR CITY, BUT MEASURES CAN BE TAKEN TO ENSURE BASIC POLICIES ARE ACHIEVED

1. City Must Decide Whether And How To Redesignate Industrial Land For Housing

As noted by the Planning Department in their 1989 report, "There is severe pressure to redesignate many of these lands [the industrial areas] for residential and/or commercial uses." How to deal with this pressure is the most important decision the City will need to make in terms of the future of industry.

whether to redesignate?

Redesignations for housing will not only impact specific industrial firms, but will also influence the general outlook for future industrial development. While this study has found that there is an adequate supply of industrial land and potential building space, this is not the only consideration. Any redesignation will reduce the location choices for industry in the future, and this is critically important. The fewer the location choices, the more likely it is that the needs of a particular firm cannot be met - possibly resulting in it moving out of the City.

The study has concluded that redesignations would have their largest impact on the City's manufacturing sector. This provides a dilemma in that manufacturing is seen by the City as making an important contribution to social and economic diversity. However, there is an over-representation of manufacturing firms in the areas which potentially could be redesignated for housing. Therefore, while redesignation will accelerate the decline of these manufacturing firms, this sector is expected to decline (for the reasons mentioned in the report) in any case. Consequently, the overall impact of the redesignations is softened by manufacturing's over-representation in these areas. This redesignation would also be at the expense of the City's desire to maintain diversity.

Should the City decide to redesignate some of its industrial lands, the policy must clearly be communicated as the perception of City intentions has an overriding impact on action taken by the parties in the private marketplace involved in the development of industrial land.

Finally, regardless of whether land is redesignated, the objective of the City should be to ensure that any uncertainties are removed and that industrially designated land will be developed rather than held for speculation on future land use changes

how to redesignate?

This is an extremely difficult choice for the City.

A policy of patchwork redesignations (of only vacant and under-utilized sites being redesignated, but over a widespread area) in the belief that there would be limited impact on existing industrial firms will not work. Industrial firms, particularly manufacturers, are not compatible with housing and such a policy would only encourage nearby industrial landowners to anticipate future redesignations.

Rather, specific areas could be selected for redesignation and other areas clearly identified as remaining industrial areas for the next 20 years. In selecting any specific areas for redesignation, two key criteria should be considered:

- the number and types of industrial firms and employees in the areas that would be impacted, and
- the maintenance of the integrity of any industrial areas that would not be redesignated.

When considering the type of firms in an area, it is important to note that the manufacturing firms are the most sensitive to nearby housing and, if they move, they will not relocate to another part of the City. It is also important, in order to maintain the integrity of the overall area, that there not be redesignations within such an area. If this were done, it would be seen as 'the thin edge of a wedge' for future redesignations. This perception alone can result in reduced investment for industrial development and, consequently, a heightened pressure for future redesignations.

2. In Industrially Designated Areas City Actions Are Important

Above and beyond the question of redesignation for housing are the potential City actions in areas that will remain designated for industry. Potential City actions that can influence future industrial employment levels fall into three categories:

i) Encouraging Investment And Continuing City Investment

As part of the study, discussions were held with representatives of industry and property owners in the industrial areas. These discussions indicated that maintaining the vitality of industrial areas is critical to providing the confidence and comfort needed for industry to remain and invest in the areas and for property owners to develop new building space. Maintaining this vitality does not mean 'freezing' the industrial areas. Both the newer and older types of City industrial firms are compatible with the new types of firms that will fuel the demand for new building space. It is important that the City be flexible with respect to uses permitted in industrial areas so that this demand for space can be met under the existing zoning. To do this, the City should constantly review uses permitted in industrial zoning categories.

Furthermore, it is important that the City continue its program of area improvements whereby the City's own investment in publicly owned lands (streets, sidewalks, lighting, etc.) is continued and serves as an indication of the City's commitment to the industrial areas.

ii) Ensuring That New Industrial Space Is Built

The supply of large, older industrial buildings in the City that can be renovated for newer studio space is dwindling. The economics of new industrial development are such that current rent levels (which reflect the economics of renovation) must gradually rise to make new development feasible.

It is important that the City address this issue to ensure that new space is available to meet the demand. One way is for the City to 'lead the way' in demonstrating the viability of new industrial building development. Continued efforts by the Toronto Economic Development Corporation (TEDCO) in following a proactive development program can do this.

Of particular importance is the Port area. Currently, this area is not regarded as a viable location for the newer City industries. Proactive development programs by the City, TEDCO, the Toronto Harbour Commissioners (THC) and others should be undertaken to address this issue. The recent recommendation by the Royal Commission on the Future of the Toronto Waterfront to create a new Waterfront Industrial Park incorporating an initiative to develop 'green' industries and the efforts to develop an industrial park at the foot of Leslie Street are both such proactive development programs.

iii) Continue City Programs To Liaise With Industry And To Develop Specific Sector Programs

The City's three Industrial Co-Ordinating Committees which provide a regular forum for interchange between industrialists and City politicians and staff have been an unqualified success and should be continued.

Various initiatives by the City directed at fostering specific sectors have also been successful. These are generally directed at the City Oriented industry group, which shows good prospects for the future. These initiatives include: the Film Liaison Office, the Fashion Industry Liaison Committee, the Toronto Centre For the Promotion of Fashion Design, the Toronto New Business Development Centre, the Small Business Self-Help Centre and the City's support for the Festival of Festivals and the Festival of Canadian Fashion. The City should continue these existing programs and constantly develop programs to support emerging sectors such as 'green' industries.

APPENDICES

FUTURE OF CITY INDUSTRY STUDY

February, 1991

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The following appendices provide details of the analysis and of the 19 industrial areas in the City.

Appendix A: **Experiences In Other Cities**

The experiences in other North America cities which are experiencing a change in their historically manufacturing dominated industrial base were examined.

Appendix B: **Survey Of Industry Sectors**

The Industries that make up the three industry categories (Traditional Manufacturing Industries, City Oriented Industries and Industries Serving The Service Sector) are reviewed.

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The industrial areas in the City are reviewed.

Appendix D: **Key Industry Contacts**

The industry representatives who provided input into the study are listed.

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The Industrial Co-ordinating Committee members who responded to a brief survey are listed.

Appendix F: **Industrial Employment In Areas Affected By Scenario B**

The 1989 employment in the 12 study areas affected by Scenario B is examined by the three industry categories.

Appendix A

Experiences In Other Cities

The experiences in three other North America cities which are experiencing a change in their historically manufacturing dominated industrial base (New York, Chicago, Pittsburgh) are examined.

Other cities in North America that exhibited broad similarities to Toronto were examined. These were North-Eastern cities which:

- had a declining traditional manufacturing base
- had a significant non-manufacturing industrial sector

A NEW YORK

- Manufacturing employment has declined considerably, beginning in the 1950s and continuing to the present time (over 200,000 job loss from 1978 - 1988).
- Non-Manufacturing Industrial employment has increased in some cases, but generally has not kept pace with manufacturing declines due to high wage costs and other high capital costs.
- Several sectors which experienced employment decline were examined:

1. Printing

- Historically recorded strong growth or stability in both Manhattan and New York City through the 1960s due to need to be near its client base (due to time constraints and the linkages necessary during the design/print stage).
- Employment fell by nearly 50% during the 1970s due primarily to:
    1) technology changes from letterpress to offset printing
        - lighter and smaller equipment
        - more productive equipment requiring fewer employees
        - need for a less skilled workforce
    2) proliferation of in-house printing departments in large corporations.

2. Clothing

- Decline of almost 100,000 jobs in the 1972 - 1982 period.
- While wages are high, value added per person hour was also high, offsetting disadvantages in terms of wage costs.
- Declines were related to declining national market for American apparel (i.e., increased foreign competition) rather than a competitive disadvantage of Manhattan firms to other firms

- A recent study presents a typology of industrial firms which are located in New York:
  1) firms that remain due to inertia
  2) firms that need a highly trained or professional workforce (e.g., the defense industry [Graumman])
  3) the services to business sector
  4) design oriented firms (fashion, cosmetics) which conduct more of a marketing function than manufacturing.
- Prepared forecasts are projecting a further decline in manufacturing (over 200,000 jobs by the end of the century).
- Non-manufacturing industries will remain relatively static during this period.

Non-Manufacturing industrial growth has not balanced declines in manufacturing due to the high capital costs of doing business in New York, despite New York's status.

B. CHICAGO

- Chicago has experienced a decline in manufacturing jobs in the 1978 - 1988 period (approximately 200,000 jobs).

- The non-manufacturing industrial sector has remained static during this same period and has not grown to "replace" manufacturing jobs.

- The City is currently in the process of examining ways to protect traditional manufacturing areas, especially from retail encroachment. Such provisions could include:
    - fast tracking building permits for expanding manufacturers
    - increasing City loan programs
    - infrastructure improvements in industrial areas

Non-manufacturing industries have been and are forecast to remain static due to the relative lack of the fast growing fashion, design and film/broadcast sectors.

C. PITTSBURGH

- Over 100,000 manufacturing jobs were lost since 1978 with the disappearance of the steel industry.
- City's population declined by 30% during the same period.
- Remaining industries (both manufacturing and non-manufacturing) are forecast to remain relatively static through the end of the decade.
- Job growth has come in the health care and high tech fields, which were targeted through incubator and extensive grant programs.

Non-manufacturing industries, many of which were tied to the health of manufacturers and the City's economy generally, have still not fully recovered from the late 1970s. Growth is occurring in only limited sectors.

D. MONTREAL

Fashion Industry

- There are currently about 30,000 jobs in the fashion-garment industry in Metro Montreal.
- Employment declined marginally (2%) since 1985.
- The Montreal Economic Development Commission has put forward a proactive strategy to promote the industry including:
    - promotion of the City internationally and at local fashion events, including establishing a City fashion award
    - local improvements to manufacturing areas, such as street signs, tree planting, improving transit access and establishing local parking facilities
    - establishing a garment industry museum
    - creation of a pilot plant to serve as a "living example" for the industry
    - establishing a fashion incubator and design institute
    - The Ministry of Education to broaden its fashion training program

Montreal is taking many steps to retain both clothing manufacturers and the fashion sector.

Appendix B

Survey Of Industry Sectors

The industries that make up the three industry categories (Traditional Manufacturing Industries, City Oriented Industries and Industries Serving The Service Sector) are reviewed.

A. "TRADITIONAL MANUFACTURING INDUSTRIES" SECTORS

1. Food And Beverage
2. Other Manufacturing

B. "CITY ORIENTED INDUSTRY" SECTORS

1. Fashion
2. Film - Video - Audio
3. Radio And TV Stations
4. Publishing And Newspaper Publishing
5. Green Industries

C. "INDUSTRIES SERVING THE SERVICE SECTOR"

1. Photo And Graphics
2. Data Processors
3. Printing
4. Other Media

Traditional Manufacturing Industries

1. Food And Beverage

Characteristics

- Almost 80% of all employment in this category takes place in industrial areas. William Neilson (Gladstone Avenue), Weston Bakeries (Eastern) and Silversteins Bakery (McCaul) account for about an additional 15%.
- Average firm size is approximately 75 employees.
- The largest firms are:

Firm	Location	Employees
Canada Packers	Stockyards	1,000 - 1,500
Molson	Fleet	500 - 1,000
Rowntree	Southwest	500 - 1,000
Quality Meat	Niagara	500 - 1,000
Weston Bakeries	Dupont East	250 - 500
Redpath	East Bayfront	250 - 500
Jane Parker	Central West	250 - 500
Maple Leaf Mills	Stockyards	100 - 250
Central Bakery	Stockyards	100 - 250
Lancia Bravo	Central West	100 - 250

Together they account for about 85% of the employment in this sector in industrial areas.

Forecast

- The decline in this sector (1,087 jobs between 1983 and 1989) has been due to firms' movement out of the area, rather than employment declines in existing firms. For example, during the 1983-89 period, overall employment in the top ten firms mentioned remained relatively static. Of the seven firms for which there is historic data, four grew - adding a total of over 300 jobs.

2 Other Manufacturing

Characteristics

- Just over 70% of employment in this category takes place in industrial areas

- The average firm size is approximately 20.

- There are only a very few large "other manufacturers". They are:

Firm	**Location**
Lever Brothers	South of Eastern
Chas Abel	East Bayfront
D'Orlan Jewellers	Central West
Imperial Optical	King-Parliament
Famous Swiss Emblems	South West
Irwin Toy	Niagara-Parkdale
AR Clarke	South of Eastern
Benjamin Film	King-Parliament
H.A. Kidd	Queen-River
Has Novelties	King-Spadina

Forecast

- Future prospects are tied to the strength of the overall economy.

- Specific sub-industry sectors will have different prospects due to need for larger facilities (often necessitating a move out of the City), loss of market share, or change in technology.

City Oriented Industries

1. The Fashion Sector

Historically In Toronto

- Clothing (including textiles and leather) is the largest industrial employer in the City - employing more people than either food and beverage or printing and publishing.

- However, during the 1980s, employment in this sector, like almost all manufacturing sectors, declined in the City.

- Employment both citywide and in industrial areas declined from 1983 - 1989.

	1983	1989	% Change
Citywide	14,873	12,202	-18.0%
Industrial Areas Only	10,865	9,485	-12.7%

This trend has been particularly pronounced in the past year.

- The situation in some other North American cities has been similar.

New York

  - Decline of almost 100,000 jobs in apparel and related industries in the 1972 - 1982 period.

  - While wage rates in Manhattan are high, value added per person hour is also high, offsetting competitive disadvantages in terms of wage costs.

- Declines were related to declining national market for American apparel (i.e., increased foreign competition) rather than a competitive disadvantage of Manhattan firms to other firms.

Montreal

- About 30,000 jobs currently in the fashion-garment industry in greater Montreal.
- Employment has declined marginally during the peak 1985 - 1988 period.

Currently In Toronto

- While overall employment has declined, new firms have entered the field and/or grown dramatically. This contrasts with other industry sectors (ie., food and beverage, heavy manufacturing).

- Buildings are being constructed to provide space for these users:
  - 555 Richmond
  - 700-720 King Street West
  - Adelaide - Brant Centre
  - Ontario Fashion Exhibitors

- Thus, the composition of employment in this sector is changing and can be divided as follows:

A. Clothing Manufacturing

- Many characteristics shared with manufacturers in other fields. There are also many attributes in common with different sub-sectors (men's, women's, children's, fur).
- Currently occupy aging space.
- Majority is rental space due to access to capital, and medium-long term uncertainty of size requirements.

- Unlike many manufacturers, can/do exist in multi-storey facilities.

- Some firms have moved to suburban locations (North York, York, Markham) due to:

  - lower rents
  - space availability
  - newer space
  - proximity to workforce

- Movement has not stopped at Metro Toronto's borders - with movement or growth to the U.S. or offshore.

- However, some manufacturers (often smaller space users) continue to maintain an interest in City locations for either all or part of their operations (e.g., cutting) due to:

  - preference for integration with other divisions (sales, design)
  - proximity to workforce
  - ease of acquiring smaller amounts of space

B. Showroom and Sample Space

- Occupying often highly finished space, either as a part of manufacturing space or stand-alone.

- FSW's approaching office rates.

- Are highly location sensitive and demand City locations due to:

  - linkages to suppliers, manufacturers and retailers - quick/frequent deliveries
  - accessibility of buyers to showroom
  - availability of new/suitable space
  - downtown ambience
  - prestige/image

C. Design Space

- Design space may occupy space in the manufacturing component due to need for proximity to manufacturing process (timing, quality control).
- Alternately, design space may be integrated with showroom space and city-oriented location due to:
  - proximity to rest of design community
  - ambience and image
  - support services (photography, community, colleges)

D. Specialty Firms and Contractors

- Specialty firms (buttons, trim) generally need a City location due to linkages with manufacturers.
- Contractors are often located in City due to high degree of linkages with other firms. However, much of the contracting is performed by home workers, located in scattered locations throughout the City and Metro.

E. Couturier

- The fashion-couturier component (men's and women's) is located throughout the City and needs city locations due to high profile and accessibility to client base.
- However, many of these firms are located in strong retail areas (e.g., Yorkville), and integrate other components (workshop) in the one location.

Forecast

- Free trade and continued international pressure will necessitate many changes for manufacturers: modernization, expansion, or focusing on a particular niche to remain competitive. In some cases these changes will necessitate moves from the City.

- Slowdowns in retail spending and the GST will affect all sectors of the industry in the short-run.

- Design/Showroom/Specialty will continue to occupy space in the City subject to:

    - health of the overall economy (especially retailing)

    - Toronto's role in the Canadian and international fashion industry.

- The appeal of locations outside the City will continue for many manufacturers, particularly larger firms. However, smaller manufacturers, specialty firms, and those who seek integration of manufacturing/showroom/design space will have a preference for City locations.

2. Film - Video - Audio

Characteristics

- Approximately 40% of all employment in the film/video sector occurs in industrial areas. Another 20% is accounted for by offices of film/video firms (e.g., Famous Players, Cineplex). The remaining 40% occupy office-type space near the core.

- Growth of firms in industrial areas has exceeded overall growth in the City.

	1983	1989	% Change
City	1,828	3,478	90.3%
Industrial Areas	583	1,375	135.8%

- Growth has come from both existing firm expansion as well as the creation of new firms.

Forecasts

- The industry reports an over-expansion of facilities during the recent growth period, especially in the post-production sub-sector (editing, sound, etc.). Little additional growth is expected in the medium term as the exiting firms rationalize their operations.

- The industry includes a substantial international dimension and is extremely sensitive to the value of the Canadian dollar. As long as the value of the dollar remains high, the growth potential will be limited.

- Some concerns expressed in the industry regarding the impact of the proposed GST, since the industry is currently largely exempt from the existing Federal Sales Tax.

3. Radio And TV Stations

Characteristics

- While just under 500 jobs are located in industrial areas (10.1% of all employment in the industry), CITY TV accounts for approximately 70-80% of all employment in industrial areas. The CBC accounts for another 10-15%.

- Most firms are in the King-Parliament, King-Spadina area.

- The CBC accounts for approximately 40% of all employment in Radio/TV in the City. The new CBC Centre is anticipated to contain over 2,800 employees. TVO and City TV account for a further 10%(approximately) each of total city-wide employment.

- Most Radio/TV stations are large. Over 50% of all firms have over 100 employees.

Forecast

- The CBC centralization and rationalization will cause the space it occupies in other areas to decrease.

- Growth will primarily come from existing firm expansions and moves and occasionally from new organizations such as YTV.

- Growth will also be centred on the King East and West areas.

4. Publishing And Newspaper Publishing

Characteristics

Publishing

- While publishing is a major employment sector, less than 10% of it (341 employees) occurs in industrial areas. The majority of these other firms are located in office space which is accessible and central, but in "off-prime" locations (Holly Street, Merton Street, Jarvis Street, Front Street East, The Esplanade). For image reasons, they do not want first class office space in prime areas.

- The recent move into the City area of publishers can be traced to the shift of these internationally controlled firms from a distribution to a publishing/distribution function. The City location offers an ambience for editorial staff and authors and public transit for support staff. It is also central to writers and agents, media resources, and hotels and restaurants used by visiting writers.

- Small specialized publishing firms (including desk top publishing) in King-Spadina account for just over 50% of all employment in the publishing sector in industrial areas.

- The exception to this are two publishing firms (Baxter Publishing and Canadian Controlled Media) in Dupont East, which together account for a further 25-30%.

Newspaper Publishing

- The two newspapers within the industrial areas have shown different rates of employment growth. The Toronto Sun has grown during the period, while the Globe and Mail has declined. The Toronto Star, which falls outside of the East-Bayfront industrial area boundary, employs an additional 2,000 people (approximately).

Forecast

Publishing

- Small specialized publishers should grow in line with the overall economy. Some opportunity exists in future to attract rent sensitive publishers priced out of office areas.

  Desktop publishing firms should continue to grow quickly to serve the needs of Core clients.

Newspaper Publishing

- While the major newspapers may grow or shrink marginally, space need changes will generally be restricted. Smaller, niche publications may evolve, but will account for very small levels of employment growth.

3. Green Industries

Characteristics

- A typology of green industries was developed during the Planning and Developing Green Enterprise Symposium of the Royal Commission on the Future of the Toronto Waterfront in March 1990. These criteria expand the category of solely recycling industries to include those which are environmentally sound. These would include:
    - firms which produce products by balanced resources use
    - firms which produce with zero emission and discharge in all phases of production
    - create socially useful products
    - safety produced products
    - efficiently produced products

- Firms could also be typified by:
    - products (i.e., green products)
    - process of production
    - corporate philosophy

- Generally speaking, locational patterns of any such firms are more dependent on the means of manufacture, rather than the "greenness" of the final product. For example, producers of energy efficient light bulbs will tend to locate based on labour supply, material, and space requirements, rather than to be near their final product market.

Forecast

- While some of these green industries will be city-oriented, others will have characteristics typical of traditional manufacturers. Therefore, the economic factors which act to affect traditional manufacturers will affect their future as well.

Industries Serving The Service Sector

1. Photo And Graphics

Characteristics

- This sector has grown steadily since 1983, presently accounting for 2,057 employees in industrial areas (3,416 employees throughout the City).
- Firms are very small - the average size being under 4 employees per firm. Only 3 of the 531 firms have over 100 employees (Network Studios and Batten Graphics in King-Spadina, and Southam Audio-Visual in Niagara-Parkdale)
- The industry is highly "fluid" with many freelance and small firms, which are formed, grow and disappear very quickly. For example, in the 1987 - 1989 period in King-Spadina, approximately 30% of firms disappeared, 10% changed names, and 30% were new firms. (The remainder grew, or shrunk.)
- As business service firms, proximity to the core is important. 65% of graphics firms are located in King-Spadina, King-Parliament or Niagara-Parkdale.

Forecast

- The strength of this sector is tied closely to the service sector it serves. Slower economic growth will act to prevent the creation of many new small firms.
- These firms are also highly price and location sensitive - while preferring to locate near the Core, they can (and presently are) located in almost every industrial area depending on price and availability of space.

2. Data Processors

Characteristics

- While data processing is a major employer throughout the City (over 7,800 jobs), only 278 jobs (3.6%) are accounted for in the industrial areas.

- Employment has declined from 1988 due to the move of Ross Mann Brigdens from King-Parliament.

- The data processing firms in industrial areas are small (average of 8 employees compared to the citywide average of 22 employees). Half are located in King-Spadina, with most of the remainder in Niagara and Niagara-Parkdale. The largest firm has 30 employees.

- The large data centres (employing greater than 100 employees) are located in Core or Fringe Core locations, outside of industrial areas (Guaranty Trust, not counted in the 1989 employment count, is not included).

Forecast

- Though there are many large data processing firms currently in Fringe Core locations, this is not the only location for such centres. Large firms generally select locations due to transit needs for employees, security and accessibility. Demands are currently being met by centres in Scarborough, North York, and Markham. In the future, it is very likely that large firms will establish facilities (e.g., reservation systems) in small centres away from metropolitan or urban areas. This is currently taking place in the United States with some airline and hotel reservation systems. In any case, it is unlikely that many more large new data processing establishments will emerge in the City during the next period. Space needs are office-type space, with data processing centres necessitating purpose built space.

- Smaller firms are often very small (under 10 employees) and utilize high quality renovated office type space in highly accessible locations.

- Though the overall data processing field may grow, data processing firms in industrial areas represent only a very small part of this overall market. In addition, changes in technology may necessitate fewer employees.

3. Printing

Characteristics

- The printing sector currently accounts for 922 employees, down sharply from the 1983 total of 1,796. Only 40% of all printing occurs in the industrial areas. The remainder is scattered throughout the City in small print shops (average size under 10 employees).

- Over 45% of the employment in this sector in industrial areas occurs in King-Spadina (in 42 firms). Approximately another 20% is accounted for by one firm (Northern Miner Press) in Queen-River.

- Most of these firms have been in their present locations for many years. Fewer than 10% of the firms in King-Spadina have been formed since 1983.

Forecast

- While many of the firms have a local business service function (serving core clients), many firms handle larger printing jobs for a Metro wide clientele. For these firms, inexpensive space with good loading capability is preferred. Locations outside the City can often better serve the needs of these firms.

4. Other Media

Characteristics

- Only 20% of employment in this category occurs in industrial areas (480 employees). These firms are generally small (under 5 employees) and include advertising-type firms, computer graphic firms, and public relations-type firms.

- Over 76% of this employment occurs in the King-Parliament, King-Spadina area, occupying highly finished office-type space.

Forecast

- These small firms are closely tied to the health of firms in the Core, and the economy generally. Growth will generally be limited to office-type space near the Core.

Appendix C

Area Profile

The industrial areas in the City are reviewed in terms of current employment.

Stelco

# Of Employees			Share Of Total
Manufacturing	=	383	57%
City Oriented	=	0	0%
Services	=	68	10%
Other	=	225	33%
		676	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Stelco Inc.	250-500	Metal Prod
Corona Jewellery	< 100	Other Mfg
Process Graphic	< 100	Graphics
Brigham Pipes Ltd	< 100	Other Mfg
Interemboss Inc	< 100	Printing

Stockyards

# Of Employees			**Share Of Total**
Manufacturing	=	3,408	56%
City Oriented	=	625	10%
Services	=	756	12%
Other	=	1,367	22%
		6,156	100%

Top Industrial Employers

Company Name	**# Of Employees**	**Category**
Canada Packers	1,500 - 2,000	Food Proc
National Rubber Co Ltd	250 - 500	Textiles
Phantom Industries Inc	250 - 500	Clothing
Maple Leaf Mills Ltd	100 - 250	Food Proc
Canada Packers Edible Oil	100 - 250	Food Proc
Central Bakery	100 - 250	Food Proc
Coca Cola Ltd	100 - 250	Warehouse

Central West

# Of Employees			Share Of Total
Manufacturing	=	2,935	46%
City Oriented	=	1,212	19%
Services	=	965	15%
Other	=	1,259	20%
		6,371	100%

Top Industrial Employers

Company Name	Employees	Category
American Standard	500 - 750	Furn & Fix
Toronto Transit Commission	500 - 750	Transport
Jane Parker Bakery	250 - 500	Food Proc
L Davis Textiles Co Ltd	250 - 500	Textiles
Anchor Cap & Closure Corp	250 - 500	Metal Prod
D'Orlan Jewellers Ltd	250 - 500	Other Mfg
National Rubber Co	100 - 250	Textiles

South West

# Of Employees			**Share Of Total**
Manufacturing	=	1,742	38%
City Oriented	=	278	6%
Services	=	424	9%
Other	=	2,133	47%
		4,577	100%

Top Industrial Employers

Company Name	**# Of Employees**	**Category**
Rowntree Macintosh Canada	750 - 1,000	Food Proc
Algoods	250 - 500	Metal Prod
Famous Swiss Emblems	100 - 250	Other Mfg
Scythes Inc	100 - 250	Other Mfg
Moloney Electric Co	100 - 250	Electrical
Berson Hosiery Mfg	< 100	Clothing
Work Wear Corp of Canada	< 100	Clothing

Massey

# Of Employees			Share Of Total
Manufacturing	=	135	16%
City Oriented	=	131	15%
Services	=	71	8%
Other	=	525	61%
		862	100%

Top Industrial Employers

Company Name	# Of Employees	Category
N & D Manufacturing	< 100	Clothing
Aristocrat Lamps	< 100	Electrical
Robert Bury & Co	< 100	Wholesale
Gibson Textile Dyers Ltd	< 100	Other Mfg
Hamida Textiles Inc	< 100	Textiles
Wis-Ton Toy Mfg Co Ltd	< 100	Other Mfg
Derek Vanlint & Associates	< 100	Film/Video

Niagara-Parkdale

# Of Employees			Share Of Total
Manufacturing	=	1,212	25%
City Oriented	=	946	19%
Services	=	1,079	22%
Other	=	1,694	34%
		4,931	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Inglis Ltd	250 - 500	Electrical
Dempster's Toastmaster	250 - 500	Textiles
Southam Audio Visual Group	250 - 500	Graphics
Warren K Cook Ltd	100 - 250	Clothing
Nelvana Ltd	100 - 250	Film/Video
Irwin Toy Ltd	100 - 250	Other Mfg
Barrymore Carpet Inc	100 - 250	Textiles

Dupont East

# Of Employees			Share Of Total
Manufacturing	=	504	9%
City Oriented	=	211	4%
Services	=	938	16%
Other	=	4,004	71%
		5,657	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Toronto Transit Commission	2,500 - 3,000	Transport
Weston Bakeries Ltd	250 - 500	Food Proc
Shariff Ali Taxi	100 - 250	Transport
Baxter Publishing Co	< 100	Other Publ
Canadian Broadcasting Corp	< 100	Radio/TV
Wing's Food	< 100	Food Proc
Electro Rubber Ltd	< 100	Electrical

Niagara

# Of Employees			Share Of Total
Manufacturing	=	578	25%
City Oriented	=	530	23%
Services	=	456	19%
Other	=	781	33%
		2,345	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Quality Meat Packers Ltd	500 - 750	Food Proc
Monaco Group Inc	250 - 500	Clothing
Astral Bellevue Pathe Inc	< 100	Film/Video
Pathe Video Inc	< 100	Film/Video
Active Taxi	< 100	Car Rental
Passage Productions Inc	< 100	Graphics
Hamil Textiles Inc	< 100	Textiles

Fleet Street

# Of Employees			Share Of Total
Manufacturing	=	719	66%
City Oriented	=	0	0%
Services	=	1	0%
Other	=	369	34%
		1,089	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Molson's Brewery	750 - 1,000	Food Proc
CBM Cement	< 100	Other Mfg

King Spadina

# Of Employees			Share Of Total
Manufacturing	=	977	5%
City Oriented	=	6,797	32%
Services	=	2,713	13%
Other	=	10,482	50%
		20,969	100%

Top Industrial Employers

Company Name	# Of Employees	Category
The Globe & Mail Company	750 - 1,000	Newspapers
City TV Ltd	500 - 750	Radio/T.V.
Mister Leonard Inc	500 - 750	Clothing
Dover Corporation	250 - 500	Machinery
McGregor Industries Inc	250 - 500	Wholesale
Mac Mor of Canada Ltd	100 - 250	Clothing
Nu Mode Dress Company	100 - 250	Clothing

East Bayfront

# Of Employees			Share Of Total
Manufacturing	=	822	29%
City Oriented	=	15	1%
Services	=	795	28%
Other	=	1,187	42%
		2,819	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Redpath Industries Ltd	250 - 500	Food Proc
Canpar	250 - 500	Transport
Chas Abel Photo Service Ltd	250 - 500	Other Mfg
Victory Soya Mills	< 100	Food Proc
Toronto Warehouse - LCBO	< 100	Warehouse
Skrow's Produce	< 100	Wholesale
Ramset Ltd	< 100	Metal Prod

King Parliament

# Of Employees			**Share Of Total**
Manufacturing	=	361	10%
City Oriented	=	1,529	40%
Services	=	321	8%
Other	=	1,585	42%
		3,796	100%

Top Industrial Employers

Company Name	**# Of Employees**	**Category**
The Toronto Sun	1,000 - 1,500	Newspapers
Carrier Footwear 1981	100 - 250	Clothing
Benjamin Film Laboratories	100 - 250	Other Mfg
Imperial Optical	100 - 250	Other Mft.
Berkley Studio	< 100	Radio/T.V.
Centre Honda-Service	< 100	Veh Repair
Motive Parts & Equipment Ltd	< 100	Car Dealer

West Don

# Of Employees			Share Of Total
Manufacturing	=	269	20%
City Oriented	=	41	3%
Services	=	414	31%
Other	=	606	46%
		1,330	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Wickett & Craig Ltd	< 100	Other Mfg
Canada Packers Ltd	< 100	Food Proc
Bay Lincoln Mercury	< 100	Veh Repair
Toronto Dodge Chrysler Ltd	< 100	Veh Repair
Giftcraft Ltd	< 100	Other Mfg
Canadian National Rail	< 100	Transport
N Hansen Cartage Ltd	< 100	Transport

Port

# Of Employees			**Share Of Total**
Manufacturing	=	1,571	33%
City Oriented	=	10	0%
Services	=	1,886	39%
Other	=	1,333	28%
		4,800	100%

Top Industrial Employers

Company Name	**# Of Employees**	**Category**
Metropolitan Toronto	250 - 500	Other Mfg
Wheel Trans	250 - 500	Transport
Brewers' Warehousing Co	250 - 500	Warehouse
CP Express & Transport Co Ltd	100 - 250	Transport
Gray Coach Lines Ltd	100 - 250	Transport
Paperboard Industries Corp	100 - 250	Other Mfg
Canada Post Corp	100 - 250	Transport

Queen River

# Of Employees			Share Of Total
Manufacturing	=	376	17%
City Oriented	=	42	2%
Services	=	495	22%
Other	=	1,313	59%
		2,226	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Northern Miner Press Ltd	100 - 250	Printing
Ha Kidd & Co Ltd	100 - 250	Other Mfg
Buckley Cartage Ltd	< 100	Transport
Mackay Specialties	< 100	Chemicals
Downtown Toyota Ltd	< 100	Car Dealer
Chubb Fire Security	< 100	Machinery
Clearmount Plastics Ltd	< 100	Chemicals

South Of Eastern

# Of Employees			Share Of Total
Manufacturing	=	686	8%
City Oriented	=	3,747	43%
Services	=	762	9%
Other	=	3,467	40%
		8,662	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Canada Post Corporation	2,500 - 3,000	Postal
Purolator Courier Inc	250 - 500	Transport
Lever Brothers Ltd	250 - 500	Other Mfg
Toronto Board of Education	100 - 250	Bus Equip
Canadian Broadcasting Corp	100 - 250	Film/Video
A R Clark & Co Ltd	100 - 250	Other Mfg
Where The Heart Is Production	100 - 250	Film/Video

Colgate

# Of Employees			Share Of Total
Manufacturing	=	617	27%
City Oriented	=	1,107	48%
Services	=	174	8%
Other	=	393	17%
		2,291	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Colgate - Palmolive	500 - 750	Chemicals
Riviera - Slacks Inc	250 - 500	Clothing
Diament Knitting Mills Ltd	250 - 500	Clothing
Singer Lighting Co Ltd	100 - 250	Electrical
Woods Bag & Canvas 1984 Ltd	< 100	Textiles
Heddie Enterprise Ltd	< 100	Clothing
Carlaw Footwear (1980) Ltd	< 100	Clothing

Leslie-Eastern

# Of Employees			Share Of Total
Manufacturing	=	62	31%
City Oriented	=	0	0%
Services	=	60	30%
Other	=	76	39%
		198	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Lee's Food Products Ltd	< 100	Food Proc
Fantasy Cooperware Ltd	< 100	Metal Prod
Michael & Michal Auto	< 100	Veh Repair

Main-Gerrard

# Of Employees			Share Of Total
Manufacturing	=	43	4%
City Oriented	=	9	1%
Services	=	175	16%
Other	=	884	79%
		1,111	100%

Top Industrial Employers

Company Name	# Of Employees	Category
Columbia Lumber Co Ltd	100 - 250	Lumber Yrd
Clearview Packaging Inc	< 100	Other Mfg
Canadian National Railway	< 100	Other Mfg

Appendix D

List Of Key Industry Contacts

The industry representatives who provided input into the Study are listed.

List of Key Industry Contacts

Name	Name of Firm	Publishing Industry
Chris Anthopolis	Yukon Furs	Fashion
Brian Bailey	B. Cowan	Fashion
Brian Bobby	International Television Assoc.	Broadcasting
Marilyn Brooks	Marilyn Brooks	Fashion
Stephan Caras	Stephan Caras	Fashion
Mike Carroll	Moloney Electric	Manufacturing
Shane Carter	Premier Publications	Film/Video
Tom Chandler	Redpath Sugar	Food Beverage
Tony Chapman	Communique Ltd.	Graphics/Video
Andre Derose	CSA	Film/Video
Audrey Gostlin	Inside Fashion	Fashion
Stuart Harding	Alliance Film	Film/Video
Samuel Jephcott	Canadian Film & TV Association	Broadcasting
Eddie John	Silhouettes	Fashion
Robert Kennedy	Walter Beauchamp	Fashion
Herman Krehm	Lady Western	Fashion
Bruce Macauley	Bruce Macauley	Photographer
Michael MacMillar	Atlantic Film	Film/Video
Robin McDonald	Ryerson Fashion	Fashion
Dan McLean	Victory Soya Mills	Food Beverage
Peter Michie	CCMC	Data Processing
Duncan Newman	Sci-can	High Tech
Vincent Ngan	Sky High	Fashion

Hank Opdenvelde	CCMC	Data Processing
Carol Outram	Centre for Fashion Design	Fashion
Vernon O'Reilly	Hudson Bay	Film/Video
John Richardson	Key Porter Books	Publishing
John Rushton	American Standard	Manufacturing
Dimo Safari	Dimo Safari	Photographer
Derek Samaroo	Colgate Palmolive	Manufacturing
Steve Shrott	Sunrise Communications	Film/Video
Cheryl Sherman	Visioneering Inc.	Manufacturing Green Industries
Pam Sturman	Multiple Images	Video
Ari Soroka	ESP Sales	Furniture
Mary Toms	Finishing Touches	Fashion
Stephen Tovee	Colgate Palmolive	Manufacturing
Elvira Vali	Petite Originals	Fashion
Bill Williams	Yonge-Bloor-Bay Association	Fashion
Martin Ziebaver	Freelance/King West	Graphics

Bill McCulloch	Planning & Development Dept.
Naish McHugh	Economic Development Dept.
David Plant	Economic Development Dept.
Beate Bowan	Planning & Development Dept.
Bob Didulka	Economic Development Dept.
Ian Bromley	Metro Toronto Economic Development Department
Eva Pyatt	Metro Toronto Economic Development Department
City of Chicago	Economic Development Department
Port Authority of	New York and New Jersey
Cognetics	Boston Massachusetts
Ron Cluett	Princeton University, Princeton, New Jersey
Montreal	Economic Development Department

Appendix E

Firms Responding To Survey

The Industrial Co-ordinating Committee members who responded to the survey are listed.

List Of Firms Responding To Survey

Firm Name

Gensco Equipment
Sunoco Inc.
Standard Aggregates Inc.
Irwin Toy
Baker Gurney & McLaren Press Ltd.
Robbie Architects Inc.
Cutler Brands & Designs
Dominion Corr. Paper Inc.
Nestle Confectioners
The Canada Metal Company Ltd.
H. A. Kidd & Co.
Canada Malting Co. Ltd.
Textile Manufacturing Co. Ltd.
Lever Brothers
Ontario Stock Yards
Nagan Products Ltd.
Redpath Sugar
Banner Packing Ltd.
Arnold Lumber Ltd.
Daisy Decorative Products Ltd.
Nor Baker Industries Ltd.
Boiler Repair Co.
Tacet
Canpar
Neilson
THC
Algoods
Turco-Persian Rug Co. Ltd.

Appendix F

Total Industrial Employment (1989) In Areas Affected By Scenario B

The 1989 employment in the study areas affected by Scenario B is examined by the three industry categories.

Total Industrial Employment (1989) in Areas Affected By Scenario B

	Manufacturing	City Oriented	Industry Servicing	Total
Stelco	383	0	68	451
Central West	2,935	1,212	965	5,112
Massey West	135	131	71	337
Dupont	504	211	938	1,653
Niagara	578	530	456	1,564
Fleet Street	719	0	1	720
East Bayfront	822	15	795	1,632
West Don	269	41	414	724
Queen-River	376	42	495	913
Colgate	617	1,107	174	1,898
Leslie-Eastern	62	0	60	122
Main-Gerrard	43	9	175	227
Total	7,443	3,298	4,612	15,353